Prof. W. C. Clark on Business Outlook

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The Nation's Business

Problems Ahead of Big Merger in Newsprint
Quarterly Reports
Ontario to Check Borrowings
Independents and Chains

Newsprint Makers Must Hold Goodwill

DURING this period of rehabilitation of industry one pertinent fact stands out—the necessity of retaining the goodwill of the customer. In the past five or more years numerous mergers have been effected and in many of them goodwill has been lost in the desire to merge for the purpose of stock-selling. It is difficult to secure goodwill and even more difficult to hold it. This vital asset can be lost overnight through some unsound or thoughtless policy of management.

We have under way today in this country a proposal to consolidate the leading Eastern Canadian newsprint manufacturers. The news of such a move has not been especially well received in the United States; a market for more than 80 per cent of the total Canadian output. There is a fear that the consolidation, while affording relief to the manufacturer and providing some degree of stability to the market, will, in the end, react adversely upon the interests of the publishers. This fear has not been entirely dispelled by private assurances given certain leading publishers that the merger will have as its directing force a management fully alive to the necessity of maintaining harmonious relations with the publishers.

* * *

FOR years past the American publisher has received but scant consideration from the newsprint producer in this country. A few manufacturers have tried to build friendly relations, but the merchandising policy of the industry as a whole has been to favor the producer to the disadvantage of the consumer. Such has been the case not merely in the American market, for it has been and is apparent in the case of another branch of the paper industry—the fine paper makers and their customers in Canada. Canadian users of fine paper—printers, business concerns and publishers —have been brutally treated by the Canadian makers of that product, dominating the home market by virtue of high tariffs.

With this record before them, it is not surprising that the idea of one large Canadian newsprint company is disturbing to the publishers. As sound business men, they desire to see stability in the Canadian industry but not by means of a combine which might work to their disadvantage in the future.

It would seem that the troubles of the newsprint industry might best be solved, not by establishing a big combine, but by the development of a few good companies operating with enough competition to compel them to exert themselves to produce efficiently at low cost and give good service. Primarily the job of the industry is to develop executives who will be forward-looking in their selling policy and efficient in production policies.

* * *

Quarterly Statements Should be Required

CANADIAN stock exchanges should follow the course adopted on most leading stock exchanges of the world by requiring quarterly reports of earnings from the companies whose stocks they list. Financial statements twelve months apart do not give shareholders a real chance to follow the fortunes of companies in which they are partners. Much may happen in a year and a paucity of information about a company opens the way for fluctuations in market valuations of its securities due to rumors and gossip which otherwise would have had little effect.

Those companies in Canada which are supplying quarterly and even monthly statements for the benefit of shareholders have held the confidence of the public to a degree much greater than those which have been satisfied with meeting the minimum requirements of listing. These stocks, like all others, have shown considerable declines in the last two years but they have shown a steadiness on the whole much greater than those of companies whose statements come only once a year.

In a time of adverse business, anxiety of shareholders with regard to their holdings is greater than in ordinary times, and this is therefore a better time than any other to inaugurate the policy of greater frankness which is inherent in regular quarterly or monthly statements.

* * *

WHEN the New York Stock Exchange first made it obligatory on companies whose stocks were listed with it to supply quarterly statements, objections were made that this would give valuable information to competitors, that it would mislead shareholders because with a business largely seasonal one quarter was bound to differ widely from the immediately preceding one at times and that it was impossible to get a quarterly survey which would give a true picture. After years of supplying quarterly statements most United States companies are converts to the idea that frequent information to shareholders is just to

(Continued on page 2, col. 5)

ADD EXCHANGE TO STOCK COST, CLIENTS ANGRY

Borrowing By Brokers in New York Surprises Traders in Sequel

TALK OF SUIT

General Custom of Trade is to Charge Exchange on the Unpaid Balance

Some warm arguments have been taking place between brokers and their clients, in Toronto and Montreal especially, in many cases where brokerage loans were secured in the United States on interlisted and Canadian stocks bought on order.

In instances where the Canadian broker secured the loan in the United States and sent the collateral down as a security before the Canadian dollar dropped from par, clients have been surprised to find some quite considerable demands for additional margin whenever there was a decline in the market value of the securities held. The brokers have been obliged, of course to put up margin by buying American funds and paying 10, 11, or 16 per cent premium for it according to the rate ruling at the moment of the transaction. They then ask their clients to put up the additional amount.

Whose Funeral

The clients in some cases have responded heatedly that it was not their funeral where the broker did his borrowing and that they should not be asked to take this loss. In most cases, however, the broker had advised his client that the securities were in New York or had been bought on an United States exchange. It has been the custom here, in the case of United States securities bought for clients, to do so through a New York house and, therefore, to get the brokerage loans in New York to support the purchases. There is no argument possible on this. The broker is evidently right. Arguments have arisen, however, with respect to interlisted issues, such as International Nickel and C. P. R. As a rule borrowing in New York does not occur on purely Canadian issues but just bfeore the break in exchange a considerable business had begun to develop in United States brokerage loans on these as well. Brokers point out to their clients that they do business on a narrow margin which is not supposed to cover exchange fluctuations.

Charged on Unpaid Balance

One subsciber of The Financial Post claims in a letter that he has been charged the exchange premium on the full value of his stock, although it was 50 per cent margined before the break in exchange. On asking several houses The Financial Post is informed that there must be some mistake as it is the rule only to charge the premium on the unpaid balance.

It is in paying up and trying to get delivery of these certificates that the clients suffer most as the original price paid is greatly increased in this way.

Coming in The Post

Do you know how education costs have soared in Canada, and do you know in what directions the increase has been spent?

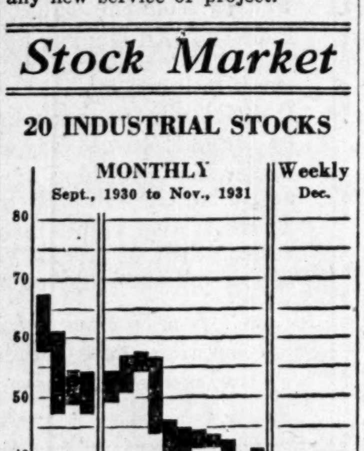
Do you know how much Canadian provinces and municipalities are spending on highways and what they are getting for their money?

Do you, in short, know where the tax money is going—the new tax money collected through all our post-war rate increases?

The series of articles that starts this week will take, item by item, many of the reasons for new or increased taxation and dissect them. It will all be done quite fairly. The aim is to give the facts and not necessarily to support or condemn any new service or project.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Dec. 15	36.0	33.9
Week of Dec. 8	36.6	35.4
Month of Dec., 1930	54.5	47.4
8 Bank Stocks		
Week of Dec. 15	216	216
Week of Dec. 8	216	216
Month of Dec., 1930	247	237
10 Public Utilities		
Week of Dec. 15	57	55
Week of Dec. 8	59	58
Month of Dec., 1930	84	74

Business Forecast Impossible for '32 Till Germany Safe

Leading Canadian Economist Sees New Year One of Readjustment Following Disillusionment of 1931

FUTURE OF PRICE LEVEL DISCUSSED

Exhaustive Analysis of Cause, Effect and Probable Future Trend of World Depression Gives Valuable Insight Into Major Problems Now Facing World Statesmen

HIGHLIGHTS OF PROF. CLARK'S ADDRESS

A Major Problem of 1932 is whether rents, taxes, wages, interest will follow prices in painful readjustment.

The Present 'Crisis of Confidence' is thought to have ended, which is the most hopeful factor in the business situation at the present time.

Reviving Automobile Activity will probably prove valuable tonic to business when seasonal upturn, deferred from last fall, occurs.

Forecast for Business in 1932 impossible until actions of world statesmen in regard to German financial crisis are known.

Managed Currencies are here for some time to come whether we wish it or not.

Conference of World Business Men and bankers with view to international co-operation is highly desirable if not imperative.

By Professor W. C. CLARK
of Queen's University, an address before the Empire Club of Canada, Toronto

Never before has the world witnessed a depression so comprehensive in its economic character and so extensive in its geographic scope. Every important aspect of the economic system, and every important country of the world have been affected. Moreover, the process of influence has been cumulative. As each country came to be affected, it, in its own turn, exercised a depressing influence upon other countries, thus continually extending and intensifying the process of economic decline. As President Hoover has recently summarized the measure of this international deterioration:

> "Within two years there have been revolutions or acute social disorders in nineteen countries, embracing more than half the population of the world. Ten countries have been unable to meet their external obligations. In fourteen countries, embracing a quarter of the world's population, former monetary standards have been temporarily abandoned. In a number of countries there have been acute financial panics or compulsory restraints upon banking."

Two Forces Oppose

The basic cause of this characteristic of the present recession is, of course, obvious. In an economic sense the world has become one. What affects one member must affect all. This, despite the fact that on the political side we have seen steadily increasing manifestations of separatism, of rampant nationalism. Much of our current trouble comes from our inability to reconcile this stubborn nationalism with the economic forces that tend to make the world a single entity.

If the ramifications of the recession are so world-wide and its causes, in part, based on international relationships, then it would seem obvious that recovery will call for international as well as intranational remedies and that no single nation can expect to come out of the trouble alone, of and by itself.

The Fall in Prices

The second, and by far the most significant feature of the present depression is the persistent and calamitous fall in the general level of wholesale prices. That fall, though somewhat less precipitous than the drop in 1920-21, has been unique in many respects. In particular, it followed a period of price stability, not of great inflation as in the years prior to 1920, and while starting slowly in striking contrast to the sharp decline in common stock prices, it gradualy acquired momentum as it penetrated throughout the world's markets and has now become the outstanding feature of the recession. In scope and in severity—in most countries the decline has now exceeded 30 per cent—it has few counterparts in modern economic history.

It is now clear that its causes are not only cyclical but secular. In other words, we have had superimposed upon the ordinary price decline which invariably characterizes the oncoming of business depression the downward thrust of a long run tendency to declining prices. Examining the record at this late date, we can now see that the general tendency of gold prices has been downward since 1920 and that the cyclical fluctuations in the meantime have been playing about this downward trend. Unfortunately we still know too little about the subtle chains of causation in the movements of gold, credit, trade and prices, but we are probably justified in selecting the following factors as primarily responsible for this declining trend:

1. The increasing volume of world production of goods, due to the improvement in equipment, in processes and in managerial technique, also the development of rationalization, etc.

2. The declining annual output of gold and the failure of the world's monetary stock of gold to increase at a rate commensurate with the rate of increase in the physical volume of trade, say 3 per cent a year. World gold production as you recall, reached its peak in 1915, declined for about ten years and latterly has been increasing somewhat. The world's gold stock has increased in the last thirty years but at a steadily decreasing rate.

Effect of Gold

3. The substantial increase in the demand for gold for monetary uses which has come with the resumption of the gold standard since the war. Though certain modifications of this monetary standard which were adopted by some countries, particularly the so-called gold exchange standard, served to economize gold, these economies were offset by the establishment of new definite legal reserve ratios, a larger physical volume of trade, a higher general price level and the widening of the area within which the gold standard was operative.

4. The so-called maldistribution of gold, the fact that an undue proportion of the world's stock gravitated to France and the United States where it was not allowed to work out its full effect upon commodity prices.

As you know, a cardinal principle of the gold standard is that gold movements shall be allowed to exert their full influence on prices. Only in this way are countervailing forces set in motion which will restore international price equilibrium and secure an efficient distribution of the world's gold supply. The normal sequence of events is roughly as follows.

Normal Sequence Upset

Gold flows into a country, credit expands, prices rise in the importing country and fall in the exporting country, imports are encouraged, exports discouraged, and a counterflow of gold is set in motion. But in the last few years, this normal sequence of forces was impeded by various factors, including the positive measures taken by certain countries to prevent domestic inflation as a result of gold inflow, the necessity under the gold exchange standard for some markets to maintain excessive stocks of gold to meet possible heavy demands on the part of foreign governments, and the desire of several governments to accumulate huge gold stocks for political reasons without reference to the immediate economic effects of their action. While, in my opinion, the undue concentration of gold in France and the United States was itself primarily due to fundamental economic factors such as reparations, allied debts and high tariff walls on the part of the great creditor countries, and while the gold stock of the United States was not as effectively sterilized as many people seem to think, yet it does seem clear that maldistribution did occur and that its net effect was still further to increase the burdens imposed upon an already doubtfully adequate world stock of monetary gold.

5. Finally we have the perverse effect of gold movements upon the security markets in the United States. As the result of a complicated set of factors, it turned out that most of the effects of the huge gold movement into the United States and the resulting credit expansion, were concentrated mainly in the real estate and security markets. The expansion of buying power in the fairly narrow market for common stocks caused a skyrocketing of values but this rise in prices did not set in motion a series of forces described above which automatically tend to stop a gold inflow. Instead of curtailing demand, rising prices for common stocks intensified the demand for them and the gold inflow, instead of being reversed, was still further stimulated. So the maldistribution of the world's gold supply was accentuated.

If this is a correct diagnosis, it is important for our prescription. Of more vital concern to us here, however, are the effects of this drastic decline in prices.

Began in 1920

As I have already stated, the price decline of 1929-31 was unique in that it followed an era of price stability. This two-year decline was, however, only one episode in a story which began in 1920, the story of the deflation or, liquidation of the inflationary movement of the war and early post-war years. As Colonel Ayres has pointed out, this is the third of these great deflationary movements in the history of this continent, the two earlier ones occurring after the Napoleonic wars and the American civil war, respectively. But while it has taken about the same time to get prices back to pre-war levels in all three cases, the peculiar feature of the latest deflation is that it has come in two instalments. After rising to a peak in 1920 about 150 per cent above the 1913 level, wholesale prices declined drastically in the first postwar depression, then stabilized at roughly 50 per cent above the pre-war level for about nine years and then in 1929 began a second descent which to-day has carried them back approximately to pre-war levels.

Now in the nine year plateau, commodity prices at wholesale were sufficiently stabilized to justify confidence in their stability and all other prices became stabilized in adjustment to them—retail prices, wages and salaries, cost of living, real estate values, taxes, freight rates, etc. True, it is that with the impediments placed in the way of the normal working of the gold standard, this equilibrium was always a doubtful one, especially in so far as the international relationships were concerned, but the fact

(Continued on page 3)

FLOUR MILLS STUDY BEARING WHEAT QUOTA

Proposals of Vital Interest to Industry

NEED OF EXPORT

Plans for Dealing With British Flour Imports May Follow Wheat

From Our Own Correspondent

MONTREAL. — Shareholders in Canadian milling companies are vitally interested in Premier Bennett's announcement that Great Britain's quota of Canadian wheat will be 56 per cent of all wheat imports. So long as proposals made along this line do not include any restriction on the import of flour, millers feel they will have little cause for worry; there has been in the past, however, some discussion as to whether a wheat quota plan in Great Britain might not be accompanied or followed by some provision which would stem the free flow of flour from Canada to Great Britain.

Before any policy is adopted regarding imports of flour it may be expected that Dominion interests will be given a chance to state their case before the British Government. While the British millers have made statements from time to time regarding the situation, the industry on this side has remained silent regarding its views on the situation.

Blending Once Suggested

At one time during the term of office of the Labor Government it was suggested that a quota of British flour should be blended with all imported flour at the port of entry; such a proposal if it crops up again, might well be looked at askance by the milling industry in Canada.

It has been pointed out that Canadian flour, rather than Canadian wheat, fixes the standard of quality in British bread. Wheat flours from this country are single wheat flours which have been manufactured and shipped under distinctive trade names for many years; thus to blend a proportion of flour milled from British wheat with Canadian flour would tend to nullify the distinction of the reputation built up by high grade Canadian flour.

Harmonious Solution Seen

It would seem therefore that every effort will be made to solve the problem in a way which will be harmonious to both exporter and domestic manufacturer. Exclusion of Canadian flour from Great Britain, even though offset by a large wheat quota, is almost unthinkable and it is not unreasonable to assume that at the worst only some regulation of flour imports into Great Britain may be undertaken.

How vital the export market is to Canadian millers is seen in their financial statements for the past few years. Shipments overseas have fallen considerably in the last three years; earnings of all milling companies have dropped to relatively low levels. Plant capacity far exceeds the production needed for domestic consumption; it is only by grinding the extra volume for export that the mills can cut their overhead costs to the point where manufacturing operations become profitable.

Competition Nearly Ruinous

Lower demand in export markets has led to ruinous competition and price-cutting with the result that there has been little or no profit when sales actually were made abroad. To add to the problem, price-cutting has spread to some extent to the domestic market; all of which is a reflection of the over capacity of the milling industry in Canada. It is evident, then, that any decision affecting flour imports into Great Britain from Canada will be of vital importance to investors in that industry in Canada.

Affords 50 Per Cent Increase

A 50 per cent increase in Canada's exports of wheat to United Kingdom is seen as a result of the new proposed British quota figures announced by Prime Minister Bennett at Ottawa this week.

Any estimate as to the effect of the proposed Wheat Quota must be made with reservations as there is considerable doubt as to how closely this is tied to the matter of a flour quota. It is claimed by some, that the new quota will affect flour as

(Continued on page 2, col. 4)

Ottawa Firm In Clinging To Insurance

Despite the recent judgment of the Privy Council which partially destroyed the federal Insurance act, the Dominion has no intention of abandoning this field of jurisdiction to the provinces.

The law officers of the crown are now engaged in redrafting the federal law in such a way as to meet the objections of the Privy Council, and to maintain federal jurisdiction. The re-written law will be submitted to parliament for enactment early next session.

Meantime it is on the cards that the Dominion will attempt to call together a Dominion-Provincial conference for the purpose of determining a method of amending the consitution, and of making a reallocation of jurisdiction between the two sovereign bodies.

Taxes Steadily Rise; Who Gets the Money?

Series of Articles Will Outline Some of the New Ways Canadian Governments Have Found to Spend Money

By FLOYD S. CHALMERS

ITEM ONE: OLD AGE PENSIONS

BETWEEN 1913 and 1930 expenditures of public bodies in Canada increased nearly $600,000,000. Between 1920 and 1930 the increase was nearly $300,000,000.

Where has the money gone? We can never deflate governmental costs without undertaking an examination to discover wherein we have increased them. To an understanding of the problem of government finance in Canada, it is essential to have an understanding of how the money is spent at the present time.

There have been several main reasons for the rising cost of government in Canada. One is the multiplication of governmental departments and services. Another is the tendency of governments to invade the field of private business. Still another is increased socialization of governmental activities through the adoption of paternalistic schemes never given serious consideration in pre-war years. Still another is the development of new servants of mankind, such as the automobile, and the airplane, involving new highways, lighted air routes, etc.

Showing Reasons for Big Increases

The Financial Post proposes to present in a series of articles some of the services and schemes that have added to the cost of government in Canada, that have run up our tax rates to the present burdensome peak. In presenting the facts, no attempt will be made to comment upon the essential merits of any of the particular causes of increased taxation that will be presented. There will be those who will feel that various new and expensive services were essential. There will be others who will feel that they could have easily been avoided. The only purpose of these articles will be to present the facts as to the cost.

Let us start with old age pensions, not only because they have proven to be an important cause of rising tax rates on the part of every class of government in Canada, but because they are so typical of many of the new social activities of Canadian governmental institutions.

After a number of years of discussion, the Canadian government in 1927 passed legislation providing for the establishment of a Dominion-provincial pension system and it was provided that it would become effective in each of the provinces that would pass legislation bringing the benefit of the scheme to their own aged men and women. Already British Columbia, Alberta, Saskatchewan, Manitoba and Ontario have come into the old age pension scheme. The New Brunswick, Nova Scotia and Prince Edward Island legislatures have passed the necessary legislation, but their governments have not yet brought it into effect. Quebec alone has refused to enter into the old age pensions plan..

Pensions For Aged With Small Means

Under the old age pensions act, the pension is payable to any British subject to 70 years and upward who is not in receipt of an income as much as $1 a day and who has resided in Canada for the 20 years preceding, and has also resided in his province for five years preceding, the granting of the pension. The maximum amount of pension payable annually is $240.

The Dominion government pays 50 per cent of the amount of the pension. This money is paid over to the provinces and each of the provinces in turn determines the form of administration. In Ontario, for example, there is an Old Age Pension Commission, appointed by the provincial government, but the actual work of distributing the money is done by the municipalities which in turn pay 20 per cent of the total cost of the pension.

Thus, in Ontario, the amount paid is divided, 50 per cent by the Dominion government, 30 per cent by the provincial government and 20 per cent by the municipal government.

At the last session of the Dominion parliament, provision was made for increasing the Dominion contribution to 75 per cent of the total, but this has not yet been brought into effect.

This, in brief, is the old age pension plan in Canada.

Over 63,000 Pensioners on Scheme

Now some important figures as to the cost. There are in Canada 63,285 persons drawing contributions under the old age pension plan. In Ontario, 35 per cent of the population over 70 years of age are on the pension list. This figure runs to as high as 66 per cent in Saskatchewan. Up to September 30th, 1931, more than $26,000,000 has been paid out on account of old age pensions, although the first provincial scheme became effective, September 1st, 1927, and several of the provinces paying pensions took it up only at a later date.

Although at the present time, pensions are being paid out at the rate of $14,000,000, and of this the Dominion Government's share is approximately $7,000,000. Shortly, if the act of the last session is given effect, it will be $10,500,000.

This is all brand new expenditure. No money was paid in Canada for old age pensions before September 1st, 1927.

What It Has Cost Governments

In the Dominion Government's fiscal year ended March 31, 1928, the Dominion appropriations for old age pensions were $131,000; in the year 1929, $833,000; in 1930, $1,500,000; in 1931, $5,658,000, and as we have seen above, the Dominion Government expenditures are running at the present time about $7,000,000 a year and are due to jump to $10,500,000 very shortly, in addition to which they will greatly increase if, as, and when the four provinces not now paying pensions enter the scheme.

Of course, the actual contributions to the pensioners do not represent the total amount that the old age pension plan costs the people of Canada. The expenses of the Dominion Government administration are not great, as their activities are confined chiefly to raising the money and paying it over to the provinces. Even this involves the Dominion Government in many expenses that would not show in the public accounts, such as the additional cost of maintaining tax collecting officials.

Costs of Administering Scheme

Some idea of the cost of administration in the provinces is gleaned from a study of the accounts of Ontario which for the year, October 31, 1930, showed expenditures, apart from the actual payments, amounting to about $43,000 or about one and one half per cent of the pensions paid.

The expenditures in which the municipalities have been involved can be understood from reference to the accounts of the City of Toronto, which show that in 1930 the administration of old age pensions costs approximately $35,000 or about 2½ per cent of the old age pensions paid in the city.

Thus, we can safely assume from these figures that the administration of old age pensions cost the governments approximately five per cent of the payment or one per cent by the Dominion, one and a half per cent by the provinces and two and a half per cent by the cities. We must assume then that $700,000 a year has already been added to the cost of government in Canada by old age pension legislation, quite apart from the pensions payments and that most of this $700,000 a year goes to maintain an increase of civil service personnel.

Bound to Extend in Future Years

Perhaps, we may be glad that we have not gone as far as Australia, which is paying old age pensions to more than 172,000 people, or Great Britain, which is paying old age pensions to 572,000 people.

Of course, the Canadian scheme has only gotten under way and undoubtedly there will be many more applications for old age pensions and an extension of the act into other provinces before the scheme finally settles down to a stable annual cost. But we know the present bill. As has been pointed out, it is approximately $14,000,000 a year for the pensions themselves and $700,000 a year for the cost of administration.

Dom. Textile's Plants Operate Near Capacity

From Our Own Correspondent

MONTREAL.—Plant activities of Dominion Textile Co., have been increased substantially in the past two months and the company's mills are now operating around 90 per cent of capacity. Seasonal demand has necessitated the starting up of some 2,000 looms which were idle prior to the spurt in business.

At Magog, where Dominion Textile operates its big print-works, activities are being carried on at capacity with enough work immediately in sight to ensure a continuance of this condition until the end of January at least. The cotton mill at Magog is actually running overtime to keep up with the demands of the print-works.

In its tire fabric plants there has been some improvement recently. Production in December is expected to run about 75 per cent of the same month last year which is a considerable gain compared with showings made in previous months. A halt has been called to mounting inventories; recent demands has necessitated inroads into stock for the first time in many months.

Raw cotton prices remain fairly steady though estimates for the forthcoming crop are at a high figure. Present raw cotton prices, however, are still well below levels of last year, a factor which is likely to find reflection in earnings of Dominion Textile Co., for the year ended March 31, 1932.

GOLDS DROP THO' PROFITS RISE DAILY

Premium on Production Boosting Profits Without Recognition

DEPRESSION PROOF

Gold Stocks Offer Unique Investment With Higher Profits Promised Companies

A paradox in market values that leaves the investor bewildered is the decline in prices of the dividend-paying gold stocks coincident with their earnings increasing in a direct ratio to the premium on United States funds, now selling around 24 per cent.

The weakness in the dividend-paying gold stocks at the present time defies analysis unless it is due to forced liquidation. There is no factor in the offing that suggests lower earnings of the gold mines the reverse being the case. The premium now being paid on production fluctuates from day to day directly as the exchange on United States funds fluctuates, since it is paid on the basis of the exchange rate prevailing on the day the gold shipment is received at the mint, the rate prevailing on the day previous and the rate prevailing the day following shipment. The average of these three days establishes the rate of payment.

While the premium on production, which means so much to the profits of the gold producers, does not carry with it any assurance that it will be maintained indefinitely, indications point to United States funds being at a premium for some time to come.

More Gold, Says McCrea

Early this week Hon. Charles McCrea, Minister of Mines in Ontario, urged for the greater production of gold. Present conditions, he said offer great opportunities to give stability to Canada's currency, and more gold must be produced.

Hon. R. B. Bennett, Premier of Canada, has pledged himself to pay a premium on gold production so long as the free export is curtailed. It seems therefore that there is no cause for concern that Canadian gold producers will not enjoy the full benefit of the rate of exchange between United States and Canada so long as it exists.

Gold Producers Position Unique

The gold producers are in unique position in world affairs today in that as economical conditions become worse and commodity prices decline, the value of gold increases and its cost of production becomes less. In a country with a depreciated currency, such as is the case in Canada at the present time, the gold producers can profit by the full extent of exchange prevailing. It has therefore been referred to as the one depression-proof industry.

From an investment standpoint, the dividend-paying gold mines are in a class by themselves, and it therefore becomes more difficult to understand a weakness in such securities at the present time.

Profits Increase 50 Per Cent

Just how important this premium is to the gold producers is evident in a typical case such as the Hollinger Mines.

Hollinger had a gold production in the three months ended September 30, valued at $2,784,317 or an average recovery of $6.75 per ton. The operating profit in this period before depreciation amounted to $1,083,559 including $56,364 in premium. Had there been a premium on production of 20 per

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The installation of a large new steam turbo-generator has been completed at the power house in Lethbridge, the new unit generating 3,375 kilowatts or 4,500 h.p. In preliminary tests at the plant the new unit generated and sent out on the line 2,400 kilowatts requiring about as much steam as the old unit used in generating 1,250 kilowatts, thus effecting a considerable operating economy.

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Mr. Bennett and the Economists

Mr. Bennett

(as reported in the Mail & Empire, Toronto)

DOMINION REMAINS ON GOLD STANDARD

Abandonment Not Discussed, Premier Emphatically Declares

OTTAWA, Dec. 14.—Abandonment of the gold standard by Canada has not even been discussed since his return to Canada, Premier Bennett declared today in an emphatic denial of Toronto, Montreal and New York reports that such action had been taken or discussed by the Canadian Government.

In jovial mood, the Premier at first "kidded" the newspapermen when he was told of the numerous and varying reports of the Canadian Government leaving the gold standard. "Some enemy hath done this," he jested, "or some newspaperman."

He turned quickly, however, from jest to earnest. "Gentlemen," he said, "you can do me a great favor if you say this, and say it authoritatively, that not only has there been no action taken but that the matter has not been discussed since my return to Canada."

The Economists

PROF. J. P. DAY, of McGill

"A country is on the gold standard when its legal tender paper money is redeemable in gold at a fixed rate, when its citizens are allowed to do what they wish with their gold, e.g., to export it or melt it down, and when the Government will always buy gold at a fixed rate."

Note: Export of gold from Canada is prohibited except under license.

• • •

PROF. C. A. CURTIS, of Queen's

"A country operating on the gold standard is relatively free from currency fluctuations and achieves a relative monetary stability. The mechanism which is constantly testing the operation of the gold standard is the foreign exchanges."

Note: Canadian dollar in New York, December 14, 81¼ cents.

CALGARY POW'R GROSS ABOVE LEVEL OF 1930

Agricultural Communities Prove Valuable Back Log

REFLECTS EXPANSION

Industrial Load Declines—Opening of Ogden Shops Seen as Beneficial

From Our Own Correspondent

MONTREAL.—Due to the larger load on its transmission lines in agricultural districts of the territory served, gross revenue of Calgary Power Co. has held up well during the current year and is expected to show an increase over figures for 1930. The company is the largest generator of electrical energy in Alberta.

Ability to maintain gross revenue in face of business conditions during the past twelve months is a reflection of Calgary Power's programme of expansion carried out over the past few years. At the end of 1928 the company had about 1,000 miles of transmission line in operation; this had been increased to 1,865 miles at the end of last year.

Invaded Country Districts

A substantial portion of this increase represented a widespread network of lines serving various smaller communities in farming districts. Systems were acquired and extended; a 180 mile transmission line from the new Ghost-Radnor hydro-electric plant to Edmonton enabled the company to tap a large area.

The fruits of this policy has become apparent. Alberta, as is well known, has fared better this year than its contemporaries as far as the wheat crop is concerned. It has been estimated that the province will produce a large proportion of the total harvest of the West, purchasing power of farming communities has been relatively well maintained and fluctuations in demand for power have not been apparent as in the case of the large industrial centres.

Industrial Load Declines

That there has been a decline in Calgary Power's deliveries to industrial centres cannot be denied. This is a natural reflection of business conditions; the load to Calgary, for instance, showed a tendency to fall off with the slackening in milling activities and the closure of the big Ogden shops of the C. P. R. The fact that these shops have been reopened recently is a constructive factor in this section.

Lethbridge, Edmonton, Strathmore, Bassano, Exshaw and Vulcan are other industrial towns served by Calgary Power; the policy of spreading a network of lines through the more staple agricultural districts is now being proved.

Net Profit May Decline

Though gross revenue has been maintained it is doubtful whether net profit will show a gain. Calgary Power has spent large sums in extending its properties and it is likely that revenue, though higher, will hardly reflect the outlay made in recent years.

In 1930 an issue of $10,000,000 of 5 per cent first mortgage bonds was sold and a full year's interest charges will make their first appearance in the income account for 1931. Bank loans may also be higher than the $695,000 reported last year due to adverse conditions in the money market which has virtually precluded financing.

At the end of 1930 the balance sheet of Calgary Power showed a lack of working capital with current assets falling below current liabilities by $458,017. This, however, was a substantial improvement over the previous year when the excess of liabilities over current assets was $4,747,741.

Saskatchewan System Operated

The forthcoming statement will reflect a full year's operation of the system operated in Saskatchewan by Calgary Power. This system was acquired in the middle of 1930 and comprised 555 miles of transmission lines serving 52 communities. Details of this unit have been lacking though it is understood that it serves a number of towns in Eastern Saskatchewan and supplies energy to the Power Commission and the Northern Light and Power Co.

Earnings of Calgary Power in 1930 were $1,195,799 compared with $857,016 in the previous year. Net profits at $627,778 were higher by $122,000 but owing to the larger amount needed for disbursements on the preferred stock and a greater number of common shares issued earnings on the common were $9.34 a share against $11.55 a share in the preceding period.

At the end of 1930 capital structure comprised $10,000,000 of first mortgage bonds; $6,000,000 of 6 per cent preferred and $3,500,000 of common stock on which a dividend of $6 a share is paid.

CANADA LOSES IN CHINA MART BY JAP ACTION

Boycott by Chinese Forces Japan Off Gold

Canada loses a trade advantage of roughly 12 per cent by the abandonment of the gold standard by Japan last week. The embargo on gold export was the first official act of the new Japanese Government, and came a few hours after their installation into office. It was the result of an acute situation in that country's position brought to a head by the boycott of Japanese goods by China and the loss of trade due to Great Britain's action in regard to the gold standard last September. Specifically it was said that the ban aimed to prevent an export of 15,000,000 yen from a Yokohama bank to the United States to complete deliveries of dollar bills. Since Japan removed her embargo on gold exports on November 1, 1930, she has lost over 510,000,000 yen, mostly since October 1 of this year.

The yen parity is 49 cents and in terms of Canadian dollars it has currently been selling at between 55 and 60 cents. Since abandoning the gold standard exchange the yen has dropped as low as 40 cents and is currently quoted at 42 cents. This means that in foreign markets the Japanese now gain an advantage of approximately 12 per cent as compared with a Canadian premium of 24 per cent and a British advantage of about 35 per cent.

This decline in the yen will probably tend to offset to some extent the definite advantage that Canada has had lately in the Chinese market, although the very widespread growth of the Chinese boycott against Japanese goods is still an exceedingly important factor in favor of Canada, since Chinese importers are eagerly searching for new source of supply of goods formerly supplied by Japan.

FLOUR MILLS STUDY BEARING WHEAT QUOTA

(Continued from page 1)

well as wheat, in which case it would not be acceptable to Canada.

The quota now under consideration by the British Government is understood to allow Canada a sheltered market for about 55 per cent of the annual consumption of wheat by Britain which would be approximately 106,000,000 bushels annually. At the present time under open market conditions Britain's annual consumption of wheat is estimated at about 190,000,000 bushels and under the new quota system it is planned to allow the British dominions to supply 70 per cent of this or 133,000,000 bushels of which Canada would supply about 80 per cent or 106,000,000 bushels.

Present Market 70,000,000 Bu.

At the present time under open market conditions Canada supplies not more than 65,000,000 to 70,000,000 bushels of wheat to the British market so that the increase would be fully 50 per cent or probably an additional 35,000,000 to 40,000,000 bushels a year.

In this connection it is important to note the discrepancy that occurs in Canada's trade statistics as to exports of wheat from this country into Great Britain. A study of Canadian trade figures indicates that the annual export of wheat into Britain from Canada has averaged 180,000,000 bushels during the past five years. Investigation and comparison with British trade reveals, however, that this total includes over 100,000,000 bushels of wheat whose actual destination is Europe. For instance a few years ago the Dominion Bureau of Statistics made an analysis of Canadian trade with Great Britain and found a discrepancy in 1926 of $148,000,000 due almost entirely to grain consigned to United Kingdom but actually diverted to other countries.

Similarly a study of this question made by the London Times last year revealed that the maximum annual consumption of Canadian wheat by Great Britain was approximately 66,000,000 bushels.

Markets Are Encouraging

From Our Own Correspondent

WINNIPEG. — The performance of the wheat market during the past week, in the face of unfavorable developments in the world financial situation, and in view of the weakness in security markets has been encouraging. United States markets continue, as for several weeks past, to lead the way in the upward or downward fluctuations that take place. Canadian wheat, when the exchange differential is taken into account, is decidedly cheaper than that of the United States, with the result that the bulk of export business from this continent is done from this country.

Canadian clearances have for the past six weeks been at a satisfactory rate. A sign of a stronger situation in the market is that deliveries since the first of the month have not been made through the clearing house. All during November No. 2 Northern was a drug on the market, and very large quantities were delivered on the option, although the other contract grades maintained premiums over the option basis. Half of the wheat in store at the head of the lakes is of that grade, with more than three times the quantity of No.2 than of No. 1. A very large part of Canada's export business this season has been in the higher grade, and it would appear that No. 1 Northern is likely to be a scarce commodity before the end of the crop year.

Business With Europe

Canada has done a fair amount of business with the high duty European countries, and buyers there, when the duty has to be paid on a per bushel basis, want to get the highest quality for their outlay. Durum wheat is becoming scarce, with only 400,000 bushels in store.

Improvement in sterling exchange has been a bullish factor and so also have been reports of a wet harvest season in the Argentine, both delaying shipments and creating danger of spoilage if damp wheat is shipped through the tropics. Hard spring wheat in the United States is at a premium, and prices in Minneapolis, based on that grade, are running a full third above the Winnipeg price basis.

Russia Reports Conflicting

Reports on the Russian situation are highly conflicting, current shipments are comparatively light, most of the Black Sea shipments coming from Danubian countries, and some excitement was caused by reported buying of some Australian wheat for Vladivostock. Official reports from Moscow have insisted that Russia will have further quantities for export, but the emphasis continually placed on the problem of collection, and the threatened penalties against collectivist farms that hold back deliveries suggest that a good deal of difficulty is being experienced.

Hamilton Gas Firms Fighting for Control

The long dispute between United Gas & Fuel Co. and the Dominion Natural Gas Co., controlled by Cities Service Co., of New York, over the supplying of gas to Hamilton is now to be settled in the courts. United Gas is seeking from the Supreme Court a declaration that Dominion Natural Gas has no right to extend its mains in Hamilton, and it asks damages of $85,000.

United Gas & Fuel Co. was granted an exclusive franchise on March 24, 1931, and now claims the sole right to serve Hamilton citizens. Dominion Natural Gas Co. is extending its mains in the far eastern end of the city on the basis of a franchise granted by Barton township before it was annexed to the city. The action may be tried in Toronto.

NATION'S BUSINESS

(Continued from page 1)

the latter and beneficial to the company.

Some Canadian companies accompany dividend cheques with a short statement as to the company's business for the preceding three months. So that seasonal drops in earnings would not mislead shareholders and investors it has been suggested that at each quarter there should also be a statement of earnings for twelve months as well as for three months. In the first year it would be well if such statements were accompanied by explanatory remarks.

To increase the confidence of Canadians in Canada and to lead to a greater investment by Canadians in their own companies, frequent earnings statements are a necessity. Minor objections should give way to the larger benefits.

* * *

Primrose Path of Borrowing

EVERYONE who wishes well to the Province of Ontario will welcome the intimation that the powers of the merged Ontario Railway and Municipal Boards will be greatly increased in order to provide for strict regulation of municipal expenditures and financing. It is high time to end a state of affairs which has in the last decade permitted too many municipalities to run unchecked along the primrose path of borrowing easily and spending wildly.

It is good to know that even under present conditions 95 per cent of Ontario municipalities have followed a sound and steady course but even five per cent in danger of default are too many and a detriment to the credit of all the others. A regulatory body given adequate powers would be of real service to the 95 per cent of safe and sane municipalities inasmuch as its approval of debenture issues would show that their affairs had passed the thorough tests of an impartial body. With such approval gained municipalities should be in a position to get better rates for any issue offered than otherwise for the reason that the chief function of such a body would be to prevent municipalities acquiring a debt they could not handle or going into any unnessary or uneconomic expense. That would increase public confidence in the issues of Canadian municipalities.

* * *

IT WOULD be impossible, for instance, for a municipality like Sandwich township to get permission from a well-regulated municipal commission to expend $2,000,000 in districts largely made up of vacant lots while there is a population of only 3,000. Suburbs trying to become cities in five years on borrowed money would be told to go slower in order that they might remain solvent. The idea, that playing fair with the investor by means of economy and sound administration is the best thing for the ratepayers as well, has been slow to percolate but events of the last two years have aroused the public to the danger of unregulated borrowing and spending to a degree which has not obtained since prewar days.

The Financial Post feels that the establishment of such a regulatory body as is evidently proposed will be an important step in the direction of that more reasonable taxation which it has been advocating so insistently and consistently for years.

Ontario is lagging behind Quebec and the Western provinces in instituting this control over municipal borrowing but even at this date the move is welcomed.

In drawing up the new regulations Toronto and other large cities should not be exempted.

* * *

Taxing Chain Stores to Aid Independents

THE City of Toronto is dabbling with the idea of raising the assessment on chain stores from 25 per cent of the value of the property occupied to 50 per cent. At the present time, the business assessment of department stores is 50 per cent while the business assessment of food stores is 25 per cent. The City Council wants the chain stores put in the same class as department stores. Legislation from the provincial government would be required to enact the proposal.

It is quite likely that the provincial Legislature would refuse to pass any act which would permit the City Council of Toronto or any other city to discriminate between the independent grocer and the chain grocer. But the incident is significant because it is so typical of the viewpoint widely propagated in Canada to the effect that a retail store operated as a unit in a chain is less valuable to the public than the independent merchant. Because the coming of the chain has put a number of independent retail merchants out of business, it is felt that chain stores should be taxed out of existence or at least taxed with sufficient discrimination to put the independent merchant in a better position to compete.

* * *

THE chain store can only succeed to the extent that it provides better service and lower prices than competing independent merchants. In certain respects the chains have provided the public with better service and more efficient merchandising than was previously provided by a certain few of the smaller independent merchants formerly existing. But the chain store has not by any means put the independent merchant out of business. All over Canada, there are retail stores selling food stuffs, drugs, dry goods, etc., owned and operated by individuals or partners that are prosperous today, and many of the most successful ones are next door to chain stores, and directly in competition with them. Chain stores have no monopoly of merchandising ability or of operating efficiency. They have no monopoly of service or imagination. And because of this they have no monopoly of the market.

In many respects, independent merchants have gained from the coming of the chains. They have learned much about display, about advertising, and about the handling of stocks of goods. They have seen many of the weaker stores, operated as side lines by people of no business ability whatsoever, weeded out.

The independent merchant can compete against the chain store and do it successfully. But he must be efficient to do it. Putting an extra tax burden on the chain store will not make the independent any more efficient or any more successful.

GOLDS DROP THO' PROFITS RISE DAILY

(Continued from page 1)

cent in force during this period the company's earnings would have been increased by $500,500 and instead of showing net profits of 22 cents per share it would have been 32 cents per share, or an increase of 50 per cent.

Despite an indicated increase of 50 per cent in its net earnings due to premium in production, Hollinger has declined from $6 per share, the price prevailing at the time the premium became effective, to around $5.25 per share at the present time.

The value of the premium becomes more evident in the case of the marginal producers, that is, producers whose costs of production approximate the value of the gold recovered. Howey Gold Mines is one of these marginal producers that is reaping the full benefit of the premium. At the present time Howey is treating approximately 750 tons of ore daily averaging about $4 per ton. The operating costs are around $2.75 per ton, leaving an operating profit of about $1.25 per ton. With a premium of 20 per cent, the value of this ore is increased to $4.80 per ton, while the operating profit on the same basis is increased to $2.05 per ton—an increase of approximately 65 per cent.

Dome Mines is another producer that is reaping huge profits from the premium situation. For the three months ended September 30 last its average recovery of gold per ton was $6.50 while the production cost was in the neighborhood of $4.50 per ton leaving an operating profit of $2 per ton. With 20 per cent premium the value of the ore is increased by $1.30 per ton, giving a profit of approximately $3.30 per ton—an increase of 65 per cent.

All through the list of gold producers it is the same; the gold producers are in a better position as far as earnings are concerned than ever before yet the stock market fails to take cognizance of the situation.

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Penman's No. 95 Combinations, medium weight, wool and cotton mixture. Natural shade. Suit, 3.50.

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BUSINESS FORECAST IMPOSSIBLE FOR '32 TILL GERMANY SAFE

(Continued from page 1)

remains that in the nine year interval the various interdependent parts of the price system did work out some sort of stable or normal adjustment to each other. Now this system has been suddenly dislocated and business relationships are everywhere disrupted.

Wages and Price

Retail prices and the cost of living are out of alignment with wholesale prices; wage rates, salaries and other items of manufacturers' costs are out of step with selling prices; raw materials, agricultural products, producers' goods and consumers' goods have broken through their traditional adjustments, and so on throughout the list. If it is really true that prices are going to remain at roughly two-thirds of their former values, or, worse still are going to continue downward, then it would seem that wage rates and salaries, taxes, and other items of cost may still be impossibly high, unless some striking increase in efficiency takes place.

If prices stay down, land values, rents, leases, as well as taxes may prove to be too high. It would seem also that the burden of debt, piled mountain-high in the days of the "New Era" and already frequently back-breaking even under the old price level, may prove in many cases to be too great and may have to be scaled down. Falling prices increase the burden of debtors everywhere, whether the debtors be individuals, corporations, municipalities or nations.

Major Problem of 1932

I need not labor the argument. This, however, is one of the major problems of 1932. Must the new level of wholesale prices persist and, if so, must all other prices,—retail prices, wages, salaries, rents, taxes, interest, etc.—work out a new equilibrium by a painful process of readjustment? Or is it possible by increases in productive efficiency to reconcile the new levels of wholesale prices with the present levels of the various items of cost? Or can we hope to avoid the painful process of readjustment either by some automatic or by some deliberate method of lifting wholesale prices to something nearer the old levels?

The first alternative is not pleasant to contemplate. As to the second, it is doubtful if alone it can be a sufficient corrective of dislocated price levels, though it behooves everyone to press for increased efficiency. Automatic inflation has come in those countries which have gone off the gold standard and even in gold standard countries the ultimate effect will be to lower the value of gold and thus increase gold prices. But how important this factor will be it is difficult to say. Can we hope for automatic inflation through the rise of new demands or the expansion of a great industry like building or automobile manufacturing as in the period after 1920-21? One must regretfully admit that nothing of this sort now seems on the horizon. Finally, dare we contemplate the possibility of deliberate inflation with all its dangers, through co-operative central bank or governmental action?

Agricultural Situation

A third aspect of the business depression to which I wish to call attention is the special burden which declining activity and declining prices have brought to the agricultural classes and the agricultural areas. This phenomenon is all too familiar to Canadians. It has several fundamental causes. On the demand side, two chief factors have been at work. In most "civilized" countries population has been growing at a slowly decreasing rate and this has retarded the increase of demand for food. The substitution of mechanical for animal power, especially important in Canada and the United States, has likewise reduced the demand for fodder. On the supply side, we have seen an extension of the world's arable area in North America, South America, Europe, Asia and Africa, due to improved means of transportation, to irrigation and drainage projects, to the development of new plant varieties and to the growth of economic nationalism, especially in the former belligerent countries of Europe. We have also seen the spread of scientific methods of cultivation, the improvement in the business and managerial aspects of farming and the invention of numberless improvements in mechanical devices which have increased substantially the productivity of the agricultural worker. Finally, we have witnessed the astounding effort of Soviet Russia to "come back" in the world's agricultural markets in order to get the "wherewithal" to carry out the Five Year Plan.

In addition to this more rapid growth in the supply of agricultural products relative to the demand for them, we find other factors making for special weakness in this field. The demand for most farm products is notoriously inelastic—increased supply brings an unduly great decrease in price. The huge number of small and independent producers prevents effective organization for the control of the market or the limitation of output. Agricultural raw materials form the bulk of the commodities which enter into international trade and consequently the numerous impediments to international trade which have characterized the last decade have tended to affect these products more than they have the sheltered manufacturing industries of the domestic type. Finally, the nations which produce agricultural raw materials for the international markets are most of them debtor nations, and any difficulties arising in payment of foreign obligations provide a stimulus for forced exports of their staple commodity, sometimes at greatly reduced prices.

Farmer Must Be Heeded

For all these reasons, evidence of existing difficulties in the field of agricultural raw materials appeared before the recession set in, and the decline in agricultural prices since 1929 has been especially rapid. If the price readjustment to which we have alluded is inevitable, the lot of the agricultural producer will be a difficult one and the incidence of his difficulties upon the lending classes, the manufacturers of agricultural implements, etc., cannot be underestimated. Any comprehensive programme of reform, particularly for a country like Canada, must pay sympathetic attention to the difficulties of the farmer.

The final phase of the business situation to which I wish to direct your attention is the crisis in banking and credit which in the last six or seven months has supplemented the influence of declining prices in increasing the intensity and scope of the business depression. Fortunately, this is a phase which we have largely escaped in Canada, thanks to the generally sound organization of our financial institutions and to the confidence of the Canadian public in their financial strength. However, we cannot afford to ignore a factor which has so profoundly affected our nearest neighbor and several of our most important customers. Moreover, Canada is one of the many countries which during the crisis has had to go off the gold standard—to all intents and purposes.

Fundamental Factors of Depression

Search for the ultimate causes of this crisis of confidence would lead us back to such fundamental factors as the reparations and allied debt agreements which were the heritage of the war; to the stupendous totals of debt, private and public, which were built up in the years prior to 1929 when rising trends seemed to be immutable laws of nature; to the replacement of England by the United States as the world's lending nation with all the evils of inefficiency, inconsistency and timidity which are inevitable in amateurish lending; to the weaknesses of the gold exchange standard and the other modifications introduced in the normal working of the international monetary standard; and to the sins of economic nationalism committed chiefly by the great new creditor nations of the world which failed to realize that one cannot eat one's cake and have it too.

But these are complex questions which we cannot hope even to outline here. Suffice it to trace the development of the credit crisis and to suggest what immediate importance it may have for us.

Began in Austria

It began, as you may recall, early in May with the emergence of difficulties in Austria's leading credit bank and later spread from one country to another like the plague, carrying destruction in its path. June and July saw the German crisis emerge and culminate. This was checked by $100,000,000 credit to the Reichsbank, the Hoover moratorium on reparations payments and the so-called "standstill" agreement immobilizing until the end of February next the huge total of foreign short term balances in Germany (chiefly due to England and the United States). In mid-July the run began on the City of London, a run by foreign creditors who were frightened by the knowledge of England's huge balances now frozen in Germany and Austria, the Labor Government's failure to balance the national budget and the nation's failure to restore its balance of trade.

Fanned by such factors as the May Economy Report, criticism of the so-called "dole," exaggerated rumors of a threatened mutiny in the British Navy and talk of a general election, the outcome of which was not completely assured in the mind of the foreign observer, and checked only for a time by credits of $250,000,000 and $400,000,000 by France and the United States to the Bank of England and the British Treasury, the run continued until in two months a billion dollars in gold had been withdrawn from London and England had been forced off the gold standard.

Almost immediately after the English debacle on September 21, the world panic hit New York city. Here again the motivation was largely fear for the safety of foreign balances held in New York banks, though the desire to strengthen weakening situations at home was also probably a factor. In a six weeks' period, over $740,000,000 in gold was either withdrawn from the country or earmarked for foreign account at the Federal Reserve Bank in New York. This foreign drain would have seemed so threatening had it not been accompanied by a domestic drain of equal magnitude.

With his suspicions aroused by the numerous failures of small unit banks, the American investor began increasingly to "run" on his local banks, withdraw his deposits and "hoard" the proceeds. The hoarding movement, of course, merely increased the difficulties of the banks, multiplied the number of failures, and caused enormous pressure upon the bond market as a result of the wholesale disposal of securities "at the market" by the banks who were engaged in a "race for liquidity" or a "race for salvation."

By the end of October the increase of currency in circulation amounted to over $1,100,000,000 of which the bulk represented hoarding, while in the twelve months ending on that date, the number of bank failures exceeded 2,300 or over 10 per cent of the remaining 22,000 individual banks in the United States. Further, the Federal Reserve ratio dropped from 81.4 per cent in August to under 60 per cent and the New York Reserve bank twice raised its official discount rate.

Crisis of Confidence Ended

If I may pass now from this brief discussion of background to an even briefer consideration of the present and immediate future, I would point out that in my opinion the most hopeful element in the present situation is the fact that this world panic, this crisis of confidence, is now apparently at an end. About four weeks ago, the foreign raid on New York ended. Perhaps of even greater importance is the change which has come in American domestic psychology. The hoarding movement and the runs on the banks have apparently been checked, thanks in part to the formation of the National Credit Corporation which mobilizes the resources of the stronger banks for the benefit of those under pressure, and to the announcement by President Hoover of his intention to recommend to Congress legislation providing for the liberalizing of the rediscount regulations of the Federal Reserve banks, and for the establishment of a system of central mortgage banks to discount residential mortgage paper now resting in enormous amounts as "frozen assets" in the portfolios of many financial institutions.

These promises have now been implemented in the president's annual message to Congress and have been supplemented by several other recommendations, the most notable of which is to establish a two billion dollar reconstruction corporation to provide emergency assistance to the railroads and other "sick" industries or institutions. This programme should still further help to stabilize the American domestic situation.

Federal Reserve Victory

Now that the Federal Reserve system has come through this unprecedented episode of a double run on its resources with a supply of gold apparently still sufficient to pay off all the remaining foreign short term balances (amounting to about 1½ billions), and in addition to meet any home credit requirements likely to arise, the world can afford to breathe more easily. I say "the world" advisedly, for while this phenomenon seemed apparently a purely American domestic problem, it was full of potentialities of danger for the world as a whole.

Due in large part to the lifting of this credit strain and in part to reports, probably exaggerated, that Soviet Russia would be practically out of the world's wheat market during the next two years, we witnessed a few weeks ago a substantial upswing in the wheat and a number of other commodity markets, also in the bond and stock markets. As usual in speculative markets, the pace of recovery became too rapid and the gains have not been held. Indeed the stock market has made new lows. But a distinct change in the psychology of business men resulted and has, I think, persisted. Business men were apparently surprised to find that markets could go up as well as down and immediately began to take a new grip on themselves and on their businesses. The result is not unlikely to be some improvement in business activity a little later on, representing a deferment of seasonal activity which should normally have come in September and October and may now be delayed until around the end of the year.

Automobile Industry

Certainly this is going to be the case in the automobile industry where the introduction of new models has been delayed several months in the case of most companies. This postponement of the offering of new models is partly responsible for the record low output of cars in the last two or three months and it may be that increasing activity in this important industry a little later on will act as a tonic to general business. In those countries which have gone off the gold standard, some stimulus has also occurred already in the export industries due to the depreciation of their currencies.

But if we are to hold the gains already achieved and capitalize a somewhat favorable opportunity, we must have statesmanship of a high order in operation promptly in the international field. Three problems here cry urgently for solution: (1) The problem of German reparations and short time credits; (2) the world price and monetary problem; and (3) the problem of international trade policy. To that you may add, if you like, the problem of disarmament which must receive at least tentative solution in the next few months but which to discuss here would take us too far afield.

German Problem Outlined

The German problem is most immediately upon us. Presumably the Hoover-Laval negotiations laid the basis for a solution of this problem (or part of it) by indicating the extent to which the United States is prepared to go—much farther, by the way, than would have seemed possible six or eight months ago. But France now holds the key to the situation and how wise a creditor she is going to be is not at all clear. So far she has maintained that the reparations problem must be solved within the limits of the Young Plan and that reparations payment must take precedence over the payment of private credits, whereas Germany as well as England and the United States which hold most of the short term credits immobilized in Germany and now estimated at 2½ billion dollars, insist that the prior meeting of short term and other private debts is indispensable to the solvency of German industry, the maintenance of German trade and the payment of any reparations. Meanwhile, as this deadlock persists, the number of the unemployed has increased to nearly 5,000,000; the Reichsbank gold coverage has steadily declined from 30 per cent to about 12 per cent, departure from the gold standard seems increasingly inevitable, and the disappointments and hardships to which the people are subject are making for a steady rise in the fortunes of the political extremists.

Will France be sufficiently far-sighted to see that economic and political pressure has brought Germany almost to the breaking point and that both she and the world have everything to lose and nothing to gain by forcing Germany once more into financial and political chaos? As Ramsay MacDonald has pointedly declared, the time is short and every minute counts. May world statesmanship be sufficient for the problem but until we know its record in this case, forecast for business during 1932 is futile.

Co-operation in Price Field

In a similar way, far-sighted and generous co-operation among the nations seems necessary in the field of price and monetary problems whose importance we have found to be crucial. In this field, I am bound to admit that the experts differ radically, both as to theory and as to technique, and some scepticism exists as to the results of any deliberate co-operative action. But surely the urgency and nature of the problems call for joint consideration at least, and surely also some positive good can be accomplished. Certainly, it would seem possible by concerted action to meet some of the problems involved in the disorderly "flight from the gold standard" and the ensuing scramble among the nations for gold. One thing, for instance, that is required is an early stabilization of the English pound—not a return to par but comparative freedom from fluctuation at some level, however low. Probably neither Paris nor New York can promptly take the place of London as the world's banker and broker—they have neither the specialized institutions nor the technique nor the traditions entirely to supplant their great rival. In their own interest, as well as that of the world, it would seem desirable to co-operate in such a stabilization of the pound as would once more release for the benefit of world trade the unrivalled facilities of the City of London. Some such combination of the surplus gold of France and the United States with the brains and experience of English bankers may prove to be a cornerstone of a new era of world prosperity.

Or perhaps a more ambitious scheme might be worked out to effect a gradual re-distribution of the world's gold stocks, correcting the serious maladjustment to which I have already referred and which has been aggravated rather than alleviated by the heavy gold movements of recent months. Permanent correction of this problem involves, however, a readjustment of German reparations, inter-allied and other international debts and the tariff relationships of debtor and creditor countries. Apart from this problem the whole question of the future working of the gold standard or some substitute international monetary standard must be dealt with. The gold standard has broken down because we have been trying to work it under an impossible set of conditions. To what extent can these basic conditions be changed? If we cannot expect to return wholly to pre-war conditions, what modifications in monetary standards and in the technique of credit control must be introduced to give us a workable world standard and a world system of prices which will perform the vital functions in the guidance of economic activity that prices used to play? Further, is it unreasonable to hope that even under current conditions joint action of the central banks of the world might do something, at a favorable moment, to break the vicious circle of deflation and save us from some of the pains which automatic liquidation to the bitter end is bound to bring?

Managed Currency Here

Some of us may fear the dangers of price control but, for good or ill, whether we wish it or not, most of the world is now subject to currency management and managed currencies are with us for a long time to come. Can international co-operation not perform some service in this field of currency and credit control? Specifically, would it not appear desirable to call an international conference of the world's central bankers and finance ministers, perhaps also of prominent business men of the leading countries, to thresh out this tangled sheaf of price and monetary problems and recommend to the co-operating countries such joint and individual action as reason seems to dictate? Will such conference take place or will liquidation be allowed to run its course to the bitter end? I am pleased to note Ramsay McDonald's announcement that Britain plans to call such a world conference immediately after the committee of experts now examining into the German problem at Basle has made its report. Again may we express hope that world statesmanship may rise to the full measure of its responsibility.

While this world conference is at work, it or one of its committees may well assume responsibility for the third of our international problems, that of international trade policy which is, of course, closely bound up with price and monetary questions. I am sure that, whatever may be our views on tariff reform for Great Britain, each one of us here must be getting peculiar pleasure out of the current spectacle of John Bull administering to his benighted neighbors the same medicine that they have so long forced him to take.

Can Trade Continue?

But while we are enjoying this spectacle, those of us who have some faith in geographical specialization as the necessary basis for optimum world prosperity may well ask where all this is going to end. We have already referred to the numerous impediments placed in the way of international trade in the post-war decade. We have just seen a world flight from the gold standard resulting in the imposition of automatic import tariffs of 10 or 20 or 30 per cent in the case of a long list of depreciated paper countries. These, in many cases have been met by the application of anti-dumping tariffs by other countries. The paper currencies, moreover, result in fluctuating standards of value which still further impede the free flow of international commerce. Now the world's great free trade nation begins to depart from the traditional policy with 50 per cent import duties and power to impose 100 per cent duties, and immediately we get threats of reprisal tariffs from France, Italy, Germany and other countries. One may well ask whether the tender plant of international trade can continue to survive at all in such soil and with such horticulture—whether indeed the world is not about to enter a "dark ages" in so far as international commerce is concerned.

These are grave questions which deserve the serious consideration of a world conference of statesmen possessed of technical competence, a sense of economic realism and, above all, the spirit of co-operation, the will to work out a working programme under which nations may live or let live. As one of its functions, we might hope that such a conference would speed the day when the world's great creditor nation, the United States, will realize that it cannot continue to force debtors to pay current charges on their huge totals of indebtedness, and at the same time refuse to accept the products of these debtor nations in payment. As the months pass, more and more people in the United States realize that restoration of equilibrium with the rest of the world will necessarily involve both a lopping off of part of the mountain of debts due their country and at the same time a lowering of tariff walls with a consequent readjustment of American industry. But judging by the statement from the White House this week, the dawn of official enlightenment is yet to come.

Canada's Position

In Canada, we are unusually fortunate. We have been less guilty than several of our neighbors of some of the excesses which contributed to this depression. We have great natural resources and a financial structure that still retains the confidence of its constituency. We have a people of resourcefulness and courage, a people that has always been able to measure up to its tasks and will do so again.

The special tasks immediately before us are important but by no means insuperable. Perhaps the most serious relate to our public finance. Some of our municipalities and provinces assumed heavy burdens in the recent years of hectic growth and universal extravagance. Many of their obligations were floated in foreign markets which now command a premium on Canadian exchange and at the same time offer no relief via the refinancing route. Under a deflated price regime, these commitments will in many cases prove burdensome, if not intolerable, to many taxpayers already beset with numerous other ills. It is high time that our legislative bodies heeded the warning recently issued by the Canadian Bankers' Association to exercise administrative waste and reduce borrowings and expenditures to the limit.

The same principles of thrifty administration coupled with a wise selection of revenue-raising devices must also be applied by the federal government which will continue to bear a heavy burden, thanks to its rôle as residuary legatee in the field of unemployment and financial distress. This function the public will insist that it continue to perform, but perform with economy and discretion. The federal government and the country are to be congratulated, first, on the timely conversion of our war loans, and secondly, on the striking success of the recent National Service Loan which is an amazing tribute to Canada's ability to "come through" in a critical moment. But the capital markets will have to be called upon again and yet again in the next two of three years and if the response is to be equally successful, the most thrifty and judicious governmental housekeeping is essential.

Our Railway Problem

Second in importance of our national tasks is probably the solution of our railway problem, a problem which dates back to war and pre-war years, but which has been aggravated by a decade of wasteful competition between our two great transportation systems resulting in needless duplication of facilities and ridiculously lavish standards of service. Fortunately for my hearers today, this problem has been put to a distinguished commission whose report is now being awaited by the Canadian public with the hope that it may be both fertile in its suggestions of appropriate remedies and persuasive in its power to secure adoption of its recommendations.

Our agricultural problem has already been touched upon.

Finally, as individuals and as business corporations we have the major task of making our individual and collective adjustments to the new economic system or regime that is to prevail during the next few years. As already indicated, we should bring a sane and informed public opinion to bear upon the co-operative solution of the world's international problems but, even if we assume some measure of success in the deliberate effort to control price levels, a degree of readjustment will probably still be necessary. Undoubtedly, therefore, our major contribution as individual business men and business corporations must be our individual endeavors to readjust ourselves to the changed situation.

We will contribute most by making or accepting new price and contract relationships with other individuals, corporations, or social classes that will provide the basis for a new working equilibrium of economic forces. For the business corporation this means, of course, the reduction of production and distribution costs to a point where the balance can be restored between prices and consumer purchasing power. For some individuals it may mean wage or salary adjustments or possibly compromises with debtors. But whatever it may be, let us give up vain regrets and empty illusions, let us recognize that 1932 is to be a year of readjustment (as 1931 was a year of disillusionment) and let us buckle down at once to the task of effecting those readjustments which are necessary for an early restoration of business prosperity.

In proportion as we speed these individual readjustments and at the same time restore sanity in our international relationships, shall we see an early and measurable restoration of that prosperity for which an harrassed world is eagerly waiting.

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APTLY called "Georgian," this tea and coffee service of heavy-weight, hand-engraved, sterling silver reproduces the true spirit of the Georgian era. It is typical of the new lowered prices still available at Ellis Bros. for Christmas gifts of cherished sterling. 3 pieces, $95; 4 pieces, $150.

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Toronto Gained 75 Plants During Past 32 Months

Toronto Industrial Commission has just issued a folder presenting a list of the 75 concerns which have established manufacturing branches in Toronto and its suburbs since March, 1929, showing their respective products and points of origin. The 75 new industries—66 of which are within the city limits—are occupying 872,000 square feet of floor space, employ 1,666 persons, and have nearly $3,000,000 invested in plant and equipment. Eighty different products are being manufactured.

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A Fair Question —*and the Answer*

RECENTLY a captain of Canadian industry said to one of the editors of The Financial Post, "You are on the right track in carrying on a fight for an all around reduction in government expenditure. But why choose this time to start the fight? Why did you not start a long time ago to warn the Canadian people of the difficulties they would get into if their governments kept on spending money the way they have?"

We were a little surprised by this question for this same man has several times during recent years congratulated us on editorial warnings we had published regarding the rising debts and tax burden of Canada. He had just for the moment forgotten. This week one of our newer readers wrote asking why we had not started this campaign long ago. It's a fair question and calls for a frank answer.

In the first place, The Financial Post has, ever since the war, constantly campaigned for economy in governmental expenditures. It has done so not only in general terms but in specific terms, citing chapter and verse on numerous occasions of unwarranted expenditures that were being undertaken by federal, provincial or municipal governments. We have consistently opposed many new ventures that have now come home to us in burdensome taxation such as public ownership ventures, guarantees of wheat pool loans, creation of new and unnecessary departments of government, building of political railways, paternalistic schemes for the support of people who should be taught to look after themselves, increased socialization of government, etc., etc.

In opposing the various steps in the process of widening the field of government the record of The Financial Post over its whole history is sound.

It is impossible to go back and quote all of the editorials and articles in The Financial Post on this subject. But a few representative statements that indicate the policy of The Financial Post in the post-war years may be given:

"Difficulties with the operation and financing of public utilities by municipalities must be expected to continue."—June 19, 1920.

* * *

"Excess taxation is a blight on industry."—July 16, 1920.

* * *

"A great factor in the present industrial depression is the heavy burden of taxation."—July 1, 1921.

* * *

"The burdens of taxation continue as the most serious problem which business has to face."—Sept. 15, 1922.

* * *

"The green hills of state socialism have proven something of a mirage to lead the public into a swamp of new taxes."—June 8, 1923.

* * *

"In Canada today business is hampered as it is in no other country in the world."—May 16, 1924.

* * *

"There is a limit to the tax burdens which the people will bear. And that limit seems to have been reached in Canada."—March 27, 1925.

"Our cities and governments are still living on an extravagant scale."—Sept. 23, 1927.

* * *

"The disturbing feature of the current tendency in governmental costs in Canada is that the provinces and municipalities show no particular disposition to curb their expenses."—April 27, 1928.

Our readers may be interested to recall some of the statements made earlier in the present year, before it was generally realized that a crisis was developing in governmental finance in Canada.

"The situation (in regard to governmental expenditures) is a real menace to the economic security in Canada. It is a barrier to early recovery."—April 16.

* * *

"The present depression is not only a challenge to governments to set their house in order but an opportunity to do so."—April 16.

* * *

"The public demands efficient government at low cost."—April 30.

* * *

"A very serious error is being made by these governments in meeting the financial pressure by new forms of taxation rather than by economies in expenditure."—May 7.

* * *

"It is most essential that at the present time when incomes and values throughout the world are out of joint that definite cost reduction should be effected by governments."—May 7.

* * *

"Eventually Canada must pay dearly for its present effort to distribute prosperity artificially."—August 29.

* * *

"It is amazing how slowly it is dawning upon the rank and file of the leaders of public opinion in Canada that the crisis is very real."—October 10.

This answers the comments referred to. The files of The Financial Post are open to any one who wishes to find our whole record.

The Post is happy in the realization of the fact that its pronounced opposition to many new schemes and new forms of government expenditure was successful in definitely killing off a large number of propositions that would have made the present tax crisis worse than it is.

The reason The Financial Post is presenting the tax and debts problems of Canada so comprehensively and vigorously at the present time is that it feels that the public needs only the facts to bring to bear upon governments sufficient pressure to enforce a radical revision in our governmental spending policies.

The most powerful influence on governmental policy is enlightened public opinion. But silent public opinion is of no avail. The Post feels that if Canadian business men and community leaders were now to speak what is in their minds about government and taxation in Canada we could within a span of a few short years bring about such reforms in government in Canada as to restore prosperity to the nation again.

What have you done to make your views known?

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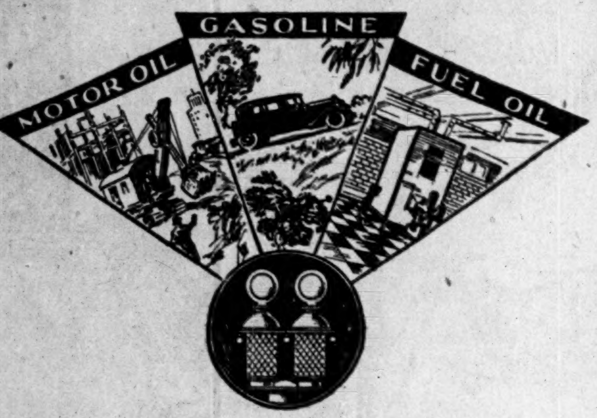

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Utilities and Transportation

N. S. POWER SEEKS REGIONAL RATES AT SERVICE COST

Plan Provisional on Permission to Merge

From Our Own Correspondent

MONTREAL. — If permission is granted to Nova Scotia Light and Power Co. to merge its properties with Avon River Power Co., it is prepared to agree to the establishment, by legislation, if necessary, of a regional rate based on the cost of service in the region served, according to counsel of the utility company. This regional rate would apply to all companies involved in the proposed merger; the company proposal further includes the provision that the Board of Public Utilities shall have the power to determine the regions in which these rates shall be operative.

Evidence afforded by J. B. Hayes, general manager of Nova Scotia Light and Power Co. showed that in the period from 1924 to 1930 earnings of the company had fallen short of the amount to which it was entitled by statute by $800,000. Further Mr. Hayes told the Board that one of the motives which prompted the proposed merger included an effort to forestall the advance of American interests in purchasing utilities in Nova Scotia. It was pointed out that American interests had bought utilities in Amherst, Yarmouth, Lunenburg, Bridgetown, Milton and other centres, while negotiations for the Avon River Power Co., now a subsidiary of Nova Scotia Power, had also been carried out.

Mr. Hayes cited other reasons for the proposed merger, which included a stronger position for the Avon company, operating economies and efficiency.

Gives Department Records

Details of earnings were revealed. It was stated that the tramway department of Nova Scotia Power earned 3.36 per cent in 1914; 3.12 per cent in 1925; 2.93 per cent in 1926; 2.74 per cent in 1927; 5.47 per cent in 1928; 4.06 per cent in 1929 and 6.61 per cent in 1930.

In the gas department earnings fell below tax needs in 1924, and failed to earn depreciation requirements in four succeeding years. In 1930 the return from this division was 3.18 per cent.

Purpose of Hearing

The present hearing before the Board of Public Utilities, primarily to consider an application of Nova Scotia Power to merge its properties with Avon River Power, has led to various charges being made by the City of Halifax against the utility company. Counsel for Halifax claimed the company's three operating divisions should be separated for accounting purposes and if this were done it would show that the electric utility had been earning a sum well in excess of the statutory 8 per cent. The company has countered that the three departments must be considered as one entity supplying utility services to the city to the best of its ability.

CANADIAN HYDRO ADD SHAREHOLDERS

Number Preferred Holders Double in Last Two Years

From Our Own Correspondent

MONTREAL.—Holders of preferred stock of Canadian Hydro Electric Corp. numbered 6,639 on December 1—a new high record and nearly double the number registered on March 1, 1928.

The average number of shares of the corporation's preferred stock now held is nineteen shares per shareholder and the bid was 37 when the first dividend was paid in 1928.

Shareholders live in every province of Canada, but one, and one-half the States in the United States, and also in Newfoundland and the British West Indies. Overseas the stock is held in England, Ireland, France, Holland, Switzerland and China.

One of Largest Concerns

Canadian Hydro Electric Corp. was organized late in 1927, to acquire control of Gatineau Power Co., Gatineau Electric Light Co. and St. John River Power Co., and now ranks as one of the largest owners of water power in North America.

As of September 30 last, the corporation's total assets were $745,886,000 and its hydro electric generating plant had an aggregate installed capacity of 645,519 h.p., to which 34,000 h.p. has since been added through the installation of the seventh generator in its Paugan plant.

In its last published earnings' statement, for the twelve months ended September 30, the corporation reported gross revenue of $8,960,558, compared with $8,201,651 in the preceding twelve months. Net revenue available for dividend in the fiscal year ended September 30 was $2,018,296, or $16.15 a share on the 6 per cent cumulative preferred stock, compared with $1,686,869, or $13.49 a share, in the twelve months ended September 30, 1930.

Green Mountain Power Elect New Directorate

From Our Own Correspondent

MONTREAL. — Green Mountain Power Corp., recently acquired by New England Power Association, a division of International Hydro Electric System, has elected a new board of directors and, at the same time, has declared a quarterly dividend of $1.50 on the preferred stock of the corporation, payable December 21 to holders of record at the close of business December 9.

This dividend would, under normal circumstances, have been paid December 1, but declaration was delayed due to the financial troubles of the former owners of the property. Payment of the dividend before Christmas carries out the promise of President Frank D. Comerford, of New England Power Association, that every effort would be made to expedite its payment.

The new Board of Directors is made up as follows: Royal L. Patrick, Burlington, Fred. A. Howland, Montpelier, Frank E. Langley, Barre, Homer L. Skeels, Montpelier, Ralph N. Hill, Burlington, Vt., Frank D. Comerford; Frederick J. Dunn, Arthur E. Pope and Carl S. Herrmann, Boston, Mass.

Close Mexican Branch of Bank of Montreal

From Our Own Correspondent

MONTREAL. — Bank of Montreal has given official notice that its Francisco Madero branch, only one in Mexico City, will be closed on January 1, and the business consolidated with the main bank. The Tampico and Vera Cruz branches of this bank were closed recently.

Low Water Affects Northwest Power

From Our Own Correspondent

MONTREAL. — Temporary low water conditions have been the means of sharply curtailing the output of the Northwestern Power Co.'s Seven Sisters plant, where three units, comprising the initial development, are now installed and in partial operation. Ultimate development of this power site calls for an installation of 225,000 h.p., of which 42,000 h.p. has been installed.

Principal and interest of the funded debt of this company are guaranteed by Winnipeg Electric Co., which owns all of the preferred and a majority of the common stock. It is officially stated that the fixed charges on this new plant will be a somewhat onerous burden on Winnipeg Electric to carry, yet eventually it should prove a valuable asset.

TRANS-CANADA 'PHONE SYSTEM REACHES COAST

Bell System Linked With Western Telephone Circuits

From Our Own Correspondent

MONTREAL.—Culminating the work of several years, it is now possible for telephonic communication across Canada without the necessity of routing the voice transmission over American lines.

On October 14 long distance telephone circuits between Montreal and Vancouver over all-Canadian telephone lines, were put in service. Previous to that communication had been established with Maritime points.

Early in the new year it is expected that a system composed of long links will be established joining Canadian telephones in one great chain extending from coast to coast.

Seven Systems Co-operate

Leading up to this Trans-Canada Telephone System, the seven major telephone interests in the Dominion are co-operating in setting up the various provincial lines that will constitute a direct voice-path from Halifax to Vancouver.

The latest link in the chain, from Winnipeg to Vancouver, is joined with the existing Montreal-Winnipeg and Toronto-Winnipeg lines of the Bell Telephone Co. to provide direct connection between Quebec and British Columbia and between intermediate points with only one switching at Winnipeg required.

Primarily, the new Winnipeg-Vancouver link is operating over temporary facilities in use between Calgary and Winnipeg. A little later, permanent telephone carrier-equipped circuits will be installed to provide for a number of simultaneous conversations over the entire route.

Talk to Hawaii

Further extension in the Bell Telephone long distance communication system is contained in the announcement that on December 21 a regular service will be maintained with the Hawaiian Islands. Through the medium of transmitting and receiving apparatus developed by the Belle Telephone Laboratories and located at Dixon and St. Reyes, respectively, on the Californian coast, voice-contact is made with the instruments of the Mutual Telephone Co. of Honolulu.

With the opening of this new connection, it is proposed to maintain service during the greater part of the business day.

Public Utility Investment Giving Up Quebec Charter

From Our Own Correspondent

MONTREAL.—Public Utility Investment Co. has conveyed all its undertaking and assets as a going concern to Consolidated Public Utility Investment Co. and, accordingly, has made application to surrender its charter.

The new company was formed early in the year with authority to acquire and take over the Public Utility Investment Co. and Second Public Utility Investment Co. as going concerns.

Shareholders of the Second Public Utility Investment received one share of class "A" and two shares of class "B" stock of the new company for each share of common stock held. Shareholders of the first company received one share of class "A" stock of the new company for each share held.

Capitalization of Consolidated Public Utility comprises $500,000 of 5½ per cent 30-year debentures; 30,000 shares of no par value class "A" stock; 36,000 shares of no par value class "B" stock and 20,000 shares of deferred or founders common stock without par value.

Southern Canada Power Earnings Decline to Date

From Our Own Correspondent

MONTREAL.—November earnings of Southern Canada Power Co. show a reduction in both gross and net for that period and for the two months ended with November.

Gross income for the past month totalled $201,766, against $205,371 in the same month last year. Expenses were $676 higher at $74,911, leaving the month's net at $126,855, against $131,136 a year ago, a decrease of $4,281.

For the two months ended with November, gross earnings totalled $395,129, a decrease of $10,156. Expenses totalled $149,571, a decrease of $7,010, leaving net for the period $245,558, against $248,704, a decrease of $3,146.

Vancouver Elevators Full

The Vancouver Harbor Board is reclaiming 25 acres of waterfront for the purpose of construction of additional elevator capacity and for manufacturing sites. Present storage capacity in local grain elevators is taxed to capacity, in view of the heavy movement of grain westward from Saskatchewan and Alberta for export.

Brandon Makes Industrial Survey

Brandon, Manitoba's second city, will shortly issue an industrial and market survey, outlining the city's advantages as a manufacturing and distributing centre.

GATINEAU POWER EARNINGS AHEAD FOR THIS SEASON

Gross and Net Income Advance—Deliveries Increase

From Our Own Correspondent

MONTREAL. — Substantial increase in earnings is reported for Gatineau Power Co., subsidiary of Canadian Hydro-Electric Corp. covering the third quarter of 1931.

During the three months period gross income totalled $2,176,053, up from $1,929,241 for the corresponding months last year. Net before interest and depreciation advanced from $1,683,563 to $1,857,745. There was an increase in interest on first mortgage bonds and other charges, leaving a balance added to surplus during the third quarter of 1931 of $344,019, compared to $299,363 for the same period a year ago.

Surplus is Larger

Details of the income account for the third quarters of 1931 and 1930 follow:

Quarter Ended Sept. 30:	1931 $	1930 $
Gross revenue	2,176,053	1,929,241
Net before interest and depreciation	1,857,745	1,683,563
Int. on bonds	886,775	784,269
Balance	970,970	899,294
Int. on debentures ..	281,955	286,872
Other int. and amort.	159,461	154,540
Depreciation	185,535	159,019
Balance to surplus ..	344,019	299,363

Cumulative Returns Up

The improvement noted in the third quarter was sustained for the twelve months ended September 30, 1931, when gross income amounted to $8,392,783, up from $7,487,151 in the preceding year. There was a slight increase in operating expenses, leaving the net available for interest, depreciation and other charges at $7,287,354, as against $6,534,954 in the previous twelve months period.

Prior charges show a general all round increase, except in the case of interest on debentures, so that the balance added to surplus for the period just passed was $1,493,119. This compares with $1,149,329 in the twelve months ended September 30, 1930.

Gross Revenue Gains

Details of the 12 months income statement in 1931 and 1930 follow:

Twelve Mos. Ended Sept. 30:	1931 $	1930 $
Gross revenue	8,392,783	7,487,151
Net before interest and depreciation	7,287,354	6,534,954
Int. on bonds	3,330,012	3,050,981
Balance	3,957,342	3,483,973
Int. on debentures ..	1,135,986	1,153,195
Other int. and amort.	604,454	601,813
Depreciation	723,783	579,636
Balance to surplus ..	1,493,119	1,149,329

Make Larger Deliveries

In September and October Gatineau Power began the delivery of an additional 16,000 h.p. of primary electric power to the Ontario Hydro-Electric Power Commission, under two of its long-term contracts with the Commission. This additional delivery raised to 304,000 h.p. the total quantity of primary power now being delivered by Gatineau Power to the Commission, and increased to 453,800 h.p. the aggregate amount of power being sold by the company on all its primary power contracts. In addition the company is delivering energy to residential and commercial customers having a demand of 16,600 h.p.

East Kootenay Power Profits Off This Year

From Our Own Correspondent

MONTREAL.—Operating income of the East Kootenay Power Co. for the first seven months of the current fiscal year, ended October last, are on a lower scale than for the corresponding period of 1930.

April, the first month in the current fiscal year, registered an increase in net earnings over the same month last year, but each succeeding month has reported a decline. In the seven months ended with October 1931, gross earnings totalled $288,492, compared with $317,126 for the same period in 1930. Operating expenses showed an increase from $99,510 to $100,403, with the result that net earnings this year only amounted to $188,089 as against $217,616 in 1930, a decline of $29,527.

Public Utility Earnings

Gatineau Power

Quarter Ended Sept. 30:	1931 $	1930 $
Gross rev.	2,176,053	1,929,241
Net before int. and depreciation	1,857,745	1,683,563
Int. on bonds	886,775	784,269
Balance	970,970	899,294
Int. on debentures ..	281,955	286,372
Other int. and amort.	159,461	154,540
Depreciation	185,535	159,019
Balance	344,019	299,363
Twelve Mos. Ended Sept. 30:	1931 $	1930 $
Gross rev.	8,392,783	7,487,151
Net before int. and depreciation	7,287,354	6,534,954
Int. on bonds	3,330,012	3,050,981
Balance	3,957,342	3,483,973
Int. on debentures ..	1,135,986	1,153,195
Other int. and amort.	604,454	601,818
Depreciation	723,783	579,636
Balance	1,493,119	1,149,329

Southern Canada Power

	1931 $	1930 $	Decr. $
November—			
Gross earn. ...	201,766	205,371	3,605
Oper. exp. ...	74,911	74,235	*676
Net earn.	126,855	131,136	4,281
2 Months—			
Gross earn. ...	395,129	405,285	10,156
Oper. exp. ...	149,571	156,581	7,010
Net earn.	245,558	248,704	3,146

Manitoba Power

	1931 $	1930 $	Decr. $
October—			
Gross earn. ...	129,588	101,054	*28,534
Oper. exp.	30,141	24,658	*5,483
Net earn.	99,447	76,396	*23,051
10 Mos. ended Oct. 31:			
Gross earn.....	1,059,005	1,111,688	52,683
Oper. exp. ...	259,743	246,926	*12,817
Net earn.	799,262	864,762	65,500

*Increase.

Postal Telegraph & Cable
Consolidated Income Account
Nine Months Ended September 30

	1931 $	1930 $
Earnings	26,086,659	28,671,674
Less: Oper. & gen. exps., taxes & depr.	25,397,040	26,290,023
Net earnings	689,619	2,381,651

East Kootenay Power Co.

	1931	1930
October		
Gross earnings	$38,439	$44,376
Oper. expenses	11,452	12,426
Net earnings	26,987	31,950
Seven Months:		
Gross earnings	$288,492	$317,126
Oper. expenses	100,403	99,510
Net earnings	188,089	217,616

Winnipeg Electric Co.

	1931	1930
October		
Gross earn.	$ 485,464	$ 523,882
Oper. expenses	329,902	368,218
Net earnings	155,562	155,664
Ten Months:		
Gross earnings	4,787,891	5,170,172
Oper. expenses	3,369,031	3,613,588
Net earnings	1,418,860	1,556,584

WPG. ELECTRIC PROFITS TO DATE $137,724 DOWN

Reasons for Passing Preferred Dividend Set Forth in Letter

From Our Own Correspondent

MONTREAL.—Decline of $137,724 in net operating income is reported for Winnipeg Electric Co. during the first ten months of 1931 as compared with the same period last year.

Between January and October the company had gross income of $4,787,891. This compared with $5,170,172 for the same months in 1930, a decrease of $382,281. Operating expenses in this period were cut from $3,613,588 to $3,369,031, leaving net earnings for the first ten months this year of $1,418,860 as against $1,556,584 in 1930.

Reasons for Action

Following up the announcement last week of the passing of the dividend on the preferred stock, the management has sent a circular letter to the holder giving in details the steps leading up to this action. Shortage of power, a burdensome utility railway franchise, payment of interest in American funds, etc., are a few of the reasons given for passing the dividend in the letter.

The letter to the preferred shareholders reads, in part, as follows:

"During the past year we have been faced with an unfortunate combination of uncontrollable factors which adversely affected the earnings of your company. Low water in the Winnipeg River, due to the absence of normal rainfall, has seriously affected the output of the power plants operated by this company and its subsidiaries, with the result that these companies have suffered a diminution in gross earnings during this period of over $200,000. This fact, coupled with the economic depression affecting all the departments of the company, has meant large decreases in revenue.

Tram Revenue Declining

"Largely owing to economic conditions and unregulated taxicab competition the traffic on the street railway has been declining steadily, resulting in a decrease of about 7,000,000 passengers for the ten months ending October 31st, and while this has been partly offset through a slightly increased scale of fares and through substantial reduction in operating expenses, the decline in net earnings in this department has nevertheless been considerable, amounting to approximately $114,000 during this period.

"The operation of the Railway Utility is burdened by the imposition of unfair taxes and charges made under a 40-year old and obsolete contract. Specifically, these unfair charges are 5 per cent tax on the gross revenue of the railway, paving charges (both capital and maintenance), and snow removal amounting annually in all to over $200,000. We have been and are still urging upon the city council the unfairness of these charges and the necessity of getting relief therefrom.

Practise Rigid Economies

"The company is practising the most rigid economy; the common shareholders have been for some time without any dividends; directors' fees have been reduced and we have cut the wages of executives and officials whose salaries amount to $3,000 per year and over; we have also taken steps to reduce all other wages and salaries, and in every direction we are reducing expenses as much as possible.

"Another unfortunate factor is the discount on Canadian money. We have large interest obligations payable in United States funds, and under present conditions the premium on these funds is a heavy charge upon the resources of the company.

Recommend Hold Stock

"We regret very much to have to make an announcement of this kind at this season of the year, but it is unavoidable. Nevertheless, we have confidence in the future of Winnipeg Electric and associated companies and with the return of normal economic conditions and relief from excessive taxation the payment of preference stock dividends should be resumed. Bearing in mind that the dividends are cumulative and will be paid when conditions justify it, the directors recommend the shareholders not to sacrifice their holdings."

MANITOBA POWER OCTOBER PROFITS RECORD ADVANCE

Cumulative Returns for Ten Months Behind 1930 Mark

From Our Own Correspondent

MONTREAL. — Though an improvement is noted in October, net earnings of Manitoba Power Co. for the first ten months of 1931 were $65,500 below that reported for the corresponding period of 1930.

Gross income in October totalled $129,588, an increase of $28,534 over the same month last year. Operating expenses increased from $24,658 to $30,141, leaving net earnings for October this year at $99,447 as against $76,396 a year ago.

Cumulative returns for the first ten months of this year show an aggregate income of $1,059,005, compared with $1,111,688 in the same period last year. Operating expenses show an increase of $12,817, from $246,926 to $259,743. Net earnings for the current period, accordingly, amounted to $799,262, compared to $864,762 last year.

Water Shortage Hampers

The decline in income this year is attributable to the shortage of water which has been the means of restricting output at the company's 168,000 h.p. plant on the Winnipeg River.

It will be recalled that two years ago Winnipeg Electric Co. offered an exchange of common stock with the junior security holders of Manitoba Power, whereby the former secured more than 88 per cent of the total outstanding stock. Dividends were paid between 1928 and 1930, but were discontinued on February 1, 1931.

Good Works of I.O.F. Illustrated in Booklet

Pictorial evidence of practical fraternity is afforded by the brochure recently published by the Independent Order of Foresters.

The book conveys, by means of full-page photographs, some idea of the excellent works that are maintained by the order, including the tubercular sanatorium and cancer hospital at Lopez Canyon, Southern California, the vocational buildings and infirmary there, and the orphans' home at Oakville, Ont.

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HOW
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THE TRANS-CANADA TELEPHONE SYSTEM

One month from now Canada takes one of the most momentous steps in its history: The Trans-Canada Telephone System goes into operation. For the first time in history, Halifax will speak to Vancouver—Vancouver to Halifax—over a direct 4,000 mile all-Canadian network. Every citizen will be able to lift the receiver and speak *in the minimum of time* direct to any of the 1,420,000 telephones in Canada and business interests over the civilized world. National communication will be practically instantaneous; conversations over any distance as distinct as a local call; service direct and dependable and rates consistently low.

Since 1921—for over ten years—seven telephone companies serving Canada from Atlantic to Pacific have labored to make this Dominion-wide network possible. Now Canada will be a nation of ten million neighbors, linked more closely than ever, east with west, in trade and friendship. The seven major telephone companies comprising The Trans-Canada Telephone System represent all of Canada and are pledged to work side by side for the best interests of the Dominion and its citizens—for the maintenance of a long-distance telephone service unsurpassed anywhere in the world.

VANCOUVER
To Regina - - $3.25
" Winnipeg - 4.50
" Toronto - - 7.75

CALGARY
To Winnipeg $3.00
" Toronto - - 6.95
" Montreal - 7.00

REGINA
To Vancouver $3.25
" Montreal - - 5.50
" Saint John - 6.75

WINNIPEG
To Vancouver $4.50
" Calgary - - 3.00
" Saint John - 5.50

TORONTO
To Calgary - $6.25
" Regina - - - 4.75
" Halifax - - - 3.50

MONTREAL
To Vancouver $8.25
" Regina - - - 5.50
" Halifax - - - 2.40

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" Regina - - 6.75
" Winnipeg 5.50

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● Day rates as quoted apply on "anyone" calls from 4.30 a.m. to 7 p.m. Lower rates apply after 7 p.m.

Alberta Government Telephones
Bell Telephone Company of Canada
British Columbia Telephone Co.
Manitoba Telephone System
Maritime Telegraph & Telephone Co.
New Brunswick Telephone Co.
Saskatchewan Government Telephones
3213

IN THE TWINKLING OF AN EYE!

News of Investment Markets

APPEAL COURT DECISION STOPS BUILDING LOANS

Queen's Park Plaza Finding For Lien Holders Has Wide Effect

As long as liens take priority to bonds and debentures and building loans generally, mortgage and other lending corporations in Ontario have decided that in future there will be no money advanced on building loans until there is a change in the law. It is not their intention to take any court action, leaving any such action to the actual interests which are affected in the decision of the Appeal Court giving lien-holders precedence in the case of the Queen's Park Plaza building, Toronto.

The decision therefore will slow up building and employment materially as mortgages whose security cannot be depended on are almost misnomers. Hitherto, in advancing money for a building loan, the lender has always been accustomed to go to the Registrar to see if the property is clear of prior encumbrances. If it is clear of all charges, he lends on a mortgage given him on the property. Any doubt as to the debt to him being the first charge would always have stopped the loan in the past. It is stopping most of them now.

Under the new decision it is possible that, after the lender has gone to the Registrar and found all apparently clear, there may exist one or a group of mechanics' liens which would take precedence over his mortgage. This will absolutely stop the ordinarily prudent lender from making building loans.

Building at Standstill

There is a fear that on account of this decision building may come to a standstill. In such a case labor and builders supply men will suffer because of disappearing markets. Larger lenders are taking no action as they feel that they can protect their interests adequately by refusing to lend. They are leaving further litigation to those who need the money. Possibly the latter may ask for changed legislation.

Decision is Serious

Most expressed opinion by builders of homes and by builders' supply men has emphasized the serious nature of the decision. If the builder is to continue operations, the builders' supply firms will have to carry him until the building is complete whereas under the custom hitherto ruling money could be obtained from lending corporations at intervals during the process of building. In the past supply houses have frequently carried the builder from 60 to 90 days but under the new decision the period is extended to as much as six months according to the length of time it takes to complete the building. And the builder would then have to get a release from all building costs before he could get advances, or else wait another 30 days after completion of the building until the time for filing of a lien had expired.

Causes Unemployment

One supply house solved the question for itself by giving a receipted bill for payment in full in return for an undated cheque of the builder who then was able to get the mortgage money and deposit it against his cheque.

T. Cornway James, credit manager of the Toronto Brick Co., is reported as stating that the decision would drive about 80 per cent of builders out of business and cut down the business of supply houses by 66 per cent. A builder was always supposed to have some money of his own but without help of mortgage money he would need more than six times the amount many of them have.

Other building supply houses predict a shortage of dwellings by next spring in Toronto. It is suggested that credit bureaus may be established to fill the gap partially by guaranteeing to keep mortgage companies informed of liens filed on properties in which they are interested and to tell them of probable liens where sub-contractors have not been paid.

Toronto is Penalized By Adverse Exchange

The City Council of Toronto in recent sessions has had to pass two sums totaling $1,100,000 to enable Finance Commissioner Wilson to pay the premium necessary to obtain the necessary United States dollar to pay Toronto's debt falling due in that city. A loan of $6,000,000 will shortly come due.

To the suggestion that the city might get a short-term loan in New York City at 5 per cent to tide the matter over until exchange recovers, or refund the debt for a limited period, Controller Ramsden replied that both prospects had been canvassed.

Finance Commissioner Wilson reported that the bond market in New York had become so unsettled in the last fortnight that that market was practically closed to Canadian issues. The premium on New York exchange had also increased in the same period from 16½ to 20 per cent.

The appropriation referred to covers maturities up to January 2, 1932.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Interlake Tissue Mills	*6%	1935	Feb. 1	101
Maine & N.B. Electrical Power	*6%	1948	Jan. 1	107½
Imp. Realty	*6%	1945	Jan. 1	103
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Pedlar People	8%	Serial	Jan. 1	102
Foreign Issues—				
City of Oslo, Norway	5½%	1946	Feb. 1	100

*Called in part.
†Or before.

Will Place Control Of Municipal Issues In Regulatory Board

Ontario Creating Impartial Body to Pass on Debenture Proposals

NEXT LEGISLATURE

Five Out of 100 Municipalities Are in Trouble—Clean Sheet Everywhere is Aim

Almost simultaneously the Government of Ontario, the banks, financial houses, investing institutions and sellers and buyers of debentures generally have come to the opinion that it is high time that strict regulation of municipal financing should take place in Ontario and in every province where any municipalities at all have been allowed to run unchecked along the primrose path of borrowing easily and spending wildly.

The difficulties now being experienced by some Border City municipalities and in Scarborough and York Townships, which have been reported as perilously near the insolvency line, underline in no uncertain fashion the need for a regulatory board or commission. Those municipalities are apparently taking the bull by the horns on being told that the cure of their ills must proceed from themselves and they are following advice given by planning to slash salaries, wages and general expenses, to eliminate least needed services, to cut out duplications, to increase assessments and to make more decided efforts to collect taxes in order to service their debts.

Should Include Toronto

The announcement that the railway and municipal boards of Ontario would be merged into one body for the sake of economy and efficiency, also intimated that the powers of the Board would be extended widely to enable it in future to exercise restraint on municipalities. In fact, the Government apparently has already selected in advance a capable official whose work to date has been drastic, thorough and accepted by the municipalities. When the enabling legislation is passed, it is believed that Ontario will not make the same mistake as that made in Manitoba where the city of Winnipeg was especially exempted from the operation of the supervision of the Public Utilities Board. It is being urged that one of the greatest services which the Provincial Legislature could do at the next session would be to see to is that in the future not a cent of new money could be borrowed for any purpose by a municipality without the approval of an independent body. That would not only be an additional protection to the ratepayers of each municipality but it would be as well a safeguard to the credit of all municipalities. It is urged that Toronto should be included as well as other municipalities not only in order that the law should be uniform in its action but also because recent experiences at New York City and Chicago have indicated that large cities are not immune from the urge to spend in vast sums ahead of what sound policy would dictate.

Supervision of borrowing of such large cities as Montreal and Toronto by an independent body is objected to by some aldermen but it is urged on the other side that there is no inherent reason why an independent audit would not be as valuable to citizens of these large cities as to smaller communities. The very fact that city fathers or officials would have to come before an independent board and give real reasons for their wish to borrow, aside from election reasons, would have a salutary effect.

Without such regulation as is here suggested, it is obvious that investors will no longer be so keen for municipal securities as in the past. Default of such nearby municipalities as Scarborough and York Township would even reflect in no uncertain fashion on the credit of Toronto in the minds of investors at a distance. In Toronto itself such a mistake could not be made. Troubles in municipalities near Winnipeg caused a good deal of uncertainty among faraway investors with regard to Winipeg's situation.

To Avoid Burdensome Taxes

Very valuable work appears to be in progress at present on behalf of the Ontario Government which is co-operating with municipalities which asked for assistance, by sending H. L. Cummings, municipal law official. The latter has advised the most drastic economies so that municipalities may cut their expenses so far down that they can show some respect to the obligations which they have incurred. That is only the first step. It is felt also to be urgent that municipalities everywhere in the province should be made to understand clearly that they should only expend monies which can easily be collected from the taxes and that tax rates should be kept below levels that would be burdensome to ratepayers. In the last few years money has been spent in too many municipalities beyond the possibility of payment on the basis of old rates. Borrowing postponed the day of reckoning for a time. Those elected had the idea apparently that all they had to do was to issue debentures and the public would take them up. Now the market does not want the debentures except at a ruinous cost to the ratepayers.

Blame Investment Houses

Some responsibility apparently attaches to the large investment houses which have purchased issues of municipalities and sold them to their clients. It is thought that a much more careful study should have been made of the situation in each separate municipality whose debentures were offered as too many investors bought on the reputation of investment houses and took it for granted that a close study had been made of the underlying situation in each case. That has not proved to be the protection which smaller investors thought and therefore from the standpoint of investors as well as ratepayers of the municipalities themselves, comes the present plan to have the Railway and Municipal Board put the stamp of approval on debenture issues only when the municipality applying is solvent and desires the money for a useful purpose. The plan goes even further and contemplates that the purpose of the loan will be studied as well as the ability of the municipality to pay.

Those who feel this legislation to be a necessity are believed to contemplate giving powers which would permit the body to step in at a moment's notice wherever it was believed that a situation was developing which should receive attention. It is not desired to adopt a policy which means nothing but "shutting the stable door after the horse is stolen." However, the principal hesitation in Ontario circles at present is said to be just whether it would be best to give full powers to the Railway and Municipal Board at the next session of the Legislature or to make haste slowly by extending powers from session to session of the Legislature as it became apparent that the public approved.

Intends No Dictatorship

It is in no sense intended to establish a dictatorship as all proposals for expenditure of moneys would start with the municipality. It is proposed to give ratepayers of each municipality additional safeguards in that from time to time supervision would provide them with an external impartial analysis of the affairs of their municipality, it would ensure the affairs of the municipality proceeding on a sound, economic basis and in normal times it would help municipalities to borrow on better terms. There are always a number of municipalities where wise policies do not prevail and which therefore need some curbing. The ratepayers themselves, busy each at his separate business, are not apt to wake up to the situation until the danger point is reached.

If such a body with adequate powers had been functioning for the last five years, Ontario would not be having any grave municipal problems at present, The Financial Post was informed by a public man who has been giving a great deal of attention to this problem.

H. L. Cummings, municipal law officer, was asked by a representative of The Financial Post whether or not the weak situations reported in the press were limited to municipalities such as York and Scarborough townships, Windsor, East Windsor, East Sandwich, West Sandwich, Riverside and Tecumseh, which figured in reports:

Most Municipalities Sound

"I would not like the idea to get abroad that Ontario municipalities as a whole are in financial difficulties. There are scarcely five per cent of the municipalities which are in serious financial difficulties. There are many municipalities in this province which do not owe the banks a penny, whose tax collections are excellent and whose accumulated tax arrears total a very modest sum indeed. Of Ontario municipalities 95 per cent would get a certificate of good character from any competent judge.

Growing Too Fast

"The chief difficulties in Ontario municipalities have occurred in two areas which have been the scene of very rapid development in the last 10 years, the Border Cities area and the environs of Toronto. The trouble has arisen from an attempt to provide within five or six years all the improvements and amenities which have come to older municipalities over a quarter or even half of a century. Not only that but financing done by these municipalities has been spread over too short a period. There has been too much pyramiding of debt and of annual charges. The time naturally had to come when the tax burdens became onerous. On the heels of that advancing taxes would be followed by the inability of a certain part of the population to pay the taxes even in normal times and in consequence a partial breaking-down of the tax collection administration. Not one of these municipalities has been making any real effort to collect taxes. Their departments have been ready to 'receive' payment of taxes but not organized to collect them. Following closely on that situation has come the depression which did not cause the financial condition of any of these municipalities to be unsound but did aggravate and rapidly bring the troubles to a head."

No Royal Road to Solvency

"Do you blame civic administrations in particular for any of these situations?" Mr. Cummings was asked.

"No, public opinion in these fast-growing areas has demanded that the councils should spend money. A few years ago it would have been very difficult for any man to have been elected on an economy programme, and that situation has obtained up to quite recently. Men who were ready to spend got precedence over men who were willing to save. Now events force them to come down from the clouds where limitless spending seemed possible, and they come down with a rush to earth. There is no time to change by easy stages. The proper measures have to be taken at once."

Dominion Stores Extra To Come from Surplus

Dominion Stores quarterly dividends of 30 cents plus a special distribution of 30 cents on January 2 next, will be equivalent at least to 72 cents a share to shareholders because of the premium on United States funds. The company is continuing to pay dividends in United States dollars.

W. J. Pentland, president, explains that the 30-cent special distribution comes not from earnings but from surplus. The company obtained more than $900,000 from shareholders in 1929 when the stock was split by selling additional shares. The money, then intended for an expansion programme, is no longer needed for that purpose.

The regular rate is $1.20 a share per annum, and if the exchange rate remains near 20 per cent this would be greatly increased. Re-opening of navigation in the spring and the tourist season generally have a strengthening effect on exchange, however.

YORK TOWNSHIP MUST ECONOMIZE

Can Clean Up Situation By Five-year Retrenchment Programme

In settling York Township financial difficulties a programme of retrenchment and economy has been inaugurated. C. M. Wrenshall, treasurer, is to be appointed comptroller with wide powers. The ten public school boards are to be amalgamated, the assessment is to be increased, tax delinquents will be vigorously prosecuted, and no more capital expenditures are to be incurred.

Herbert L. Cummings of the Attorney-General's Department, gave hope to York township officials that a drastic programme followed out for from three to five years should cure all township's ills.

The township was clear in 1927, borrowed $150,000 in 1929, owed $750,000 in 1930 and $950,000 at the end of 1931. This bank borrowing was to make up for tax deficits. The total debt of the township is $18,000,000 in serial bonds and $1,000,000 a year was being paid off. Of the debt $10,000,000 was for local improvements. The amount spent on sewers was $2,500,000, on the street railway $500,000 on Hydro $500,000 and on the schools $3,500,000.

The council levied this year for taxes of $3,000,000, but this was not enough.

Total expenditure estimated for 1932 for general purposes is $1,105,825 compared with the 1931 total of $1,330,452.45, but whereas the revenue received from various sources in 1931 totalled $406,915.90, only $179,100 is expected next year. The decrease in anticipated revenue leaves $926,725 to be raised by general taxation, compared with $923,536.55 in 1931.

The amount to be raised for general purposes creates a tax rate of 33.3 mills on an assessment of $27,900,000, but this levy will be increased by school taxes, and by levies for sewer and water services. The levies made in addition to the general rate will vary according to the school section, the water works area and the sewer area.

The 1932 budget proposed is shown in this table:

General Purpose	Est. Expend. 1931	Est. Decrease 1932
Board of Health	$ 12,784	$ 5,284
Election expenses	7,637	5,637
Annexation	1,792	1,792
Grants	5,672	4,672
Law and audit	16,217	7,217
Telephones	2,676	1,176
Council indemnity	14,000	11,200
Dog tax expense	2,276	1,776
Truant Officer	2,347	797
Industrial commis.	7,335	4,835
Parks commission.	7,216	6,966
Rebates of taxes	5,123	3,623
Clerk's Dept.	19,468	7,468
Treasurer's Dept.	42,270	12,270
Plumbing Dept.	8,108	3,433
Building Dept.	5,946	3,446
Assessment Dept.	22,140	5,390
Engineer's Dept.	66,404	46,404
Police Dept.	78,405	18,405
Roads, bridges	292,019	155,747
Housing commis.	1,214	714
Sewers Department		
Salaries	13,666	4,666
Yards expense	3,722	2,227
Mainten., repairs	14,720	6,270
Holidays, sick pay.	3,326	2,726
Waterworks Department		
Maintenance	20,702	9,102
Salaries	24,091	9,091
Watchman and emergency	3,473	1,973
Holidays, sick leave	4,004	3,004
Hydrants	2,757	1,257

Border Cities Budgets Will Be Cut to Bone

Difficulties in connection with tax collections have brought a number of Border City municipalities up against the necessity of cutting budgets from 20 to 30 per cent for 1932.

Up to date, tax collections in Windsor are about 60 per cent, in Walkerville, 77 per cent, Riverside, 25 to 30 per cent. Sandwich has done better than Riverside, but the suburban townships, Sandwich East and Sandwich West, are in very bad shape, while East Windsor has had to default on its debentures.

On the advice of H. L. Cummings, of the attorney-general's department, all of the border cities except Walkerville will cut their budgets to the bone. Deep cuts were made for November and December on the demands of the banks to avert a shutting off of credits. It is expected that most of the municipalities will be out of the woods in from three to five years as a practically complete cessation of capital expenditure has been decided upon.

School costs are to be heavily reduced, involving probably lower teachers' salaries, elimination of "frill" courses, and decommissioning of certain schools.

SCARBORO TWP. TO CUT EXPENSES

Cutting 1932 Budget to $1,000,000 to Pay Off Banks

Scarboro Township council has adopted a budget calling for substantial reductions in 1932 expenditures and to cease all capital expenditures until from tax collections it is able to pay off the banks and finance its indebtedness with ease.

Assessment will be increased from $8,000,000 to $12,000,000. A controller of revenue with wide powers will be appointed. The township had a debt of $4,500,000 while assessing property at only $8,000,000. In 1931 less than 55 per cent of taxes were collected. Arrears of $600,000 at the end of 1930 had become $820,000 now. Current bank loans had gone up to $1,000,000.

Debenture payments of $430,000 fell due on December 14 but bankruptcy was avoided on the bank getting assurances that drastic economies would be effected. The council believes all the affairs of the township can be conducted next year on a total budget of $1,000,000.

Scarboro has a population of 18,000 of which 5,000 is rural and 13,000 urban. It has 40,000 acres of area.

Of the debt of $4,400,000, $3,000,000 is for local improvements and $900,000 for schools. Of the total, only $1,200,000 is self-sustaining, the hydro debt being $240,000 and water works $920,000.

The tax rate, which varies according to the school section, is high. This is attributed to the low assessment, which is to be increased 50 per cent at once and later still higher. The assessment is now only 25 to 35 per cent of the actual value of assessable property.

The highest rate in the municipality is 133 mills and the lowest 38.5.

Japanese Bonds Payable in Gold Despite Embargo

Many Canadians, who purchased Japanese Government external 6½'s due 1954 and the 5½'s due 1965, have shown anxiety as to the effect of the Japanese Government's embargo on gold exports except by official permission. On the New York bond market the first tendency for these bonds was to go downwards.

Market support appeared early, however, as the realization that principal and interest were payable in gold in the United States made a number of buyers ready to take advantage of the lower prices. By accepting payment in United States funds some Canadians expect to benefit as well from the premium on United States funds in Canadian dollars.

C. I. T. Declare Dividend on Stock for Half Year

From Our Own Correspondent

MONTREAL. — Announcement is made by Le Trust General du Canada that a distribution of $0.183176 on each Canadian International Trustee share will be made on January 2, 1932. Of this sum, $0.153296 is the amount received in dividends by the 25 companies constituting the portfolio of the trust, in the last six months, together with interest and premium received on dividends payable in New York funds. For each group of 2500 CITS $74.70 has been drawn from the reserve funds which amount added to dividends received makes for the total of $0.183176 being distributed on each trust certificate. After the January 2nd payment the trust fund will stand at $800 per unit.

On July 1st last the trust paid 30 cents per certificate in dividends.

Silk Production Increases

The output of silk and silk goods in Canada amounted to $17,808,598 in 1930, an increase of $3,332,518 or 23 per cent as compared with the previous year. Piece goods of real silk valued at $6,308,859 was the chief item of production while the output of piece goods of artificial silk and artificial silk mixtures with a value of $5,214,314 was next in importance.

Vancouver Population Gains

The present population of Vancouver proper, according to the recent census figures, is 244,900 as compared with 163,354 ten years previous. By divisions, the figures are: Vancouver-Burrard, 83,294; Vancouver centre, 72,473 and Vancouver south 89,133. The Province of British Columbia has a population of 689,210 as against 524,582 in 1921.

MARKET FOR BONDS SHOWED WEAKNESS

Institutional Buying of Short-terms Gave Principal Action

Market for bonds during the last week has been rather weak with prices of Dominion, provincial and municipal bonds falling somewhat. Corporation bonds were almost altogether out of the picture.

The National Service Loan campaign evidently sated the appetite of the general public for a time but it is hoped and expected that there will be a stirring up of demand before the Ontario Government's financing in January and before Montreal and Toronto once more offer debentures. Toronto's unpleasant necessity to pay a premium on all interest and principal payments in its chief borrowing market, New York City, may mean that it will try in future to finance much of its requirements in Canada.

The backbone of the bond market in the last week has been institutional buying but even that has been less than what is regarded normal. A certain amount of buying originating from the United States is reported, and these purchases are stated to have been of debentures "payable in lawful money of Canada" as well as of those payable in gold.

There is noted a fair demand for short-term bonds, especially for 1933 and 1934 maturities. Institutions apparently are most interested at the moment in the short-term bonds.

Retail demand for bonds to be issued as a result of subscriptions to the National Service Loan campaign has been light, and most of them have been supplied at the rate offered during the campaign.

Dominion Government May Borrow in New York

Considerable gossip has occurred as to the possibility of Premier Bennett arranging a short-time credit for Canada in New York City. Before the National Service Loan this avenue of acquiring money to meet maturing obligations in New York City was carefully studied but most people thought that it was abandoned.

The Financial Post pointed out, however, at the time that a successful campaign in Canada for a National Service Loan would only strengthen the Government if it desired to get a credit in New York City. Recent financial comment in the United States indicates that the financial community there has considerable confidence in Canada's currency prospects and that the larger bankers would be quite willing to lend money under suitable guarantees. The Government's position both at home and abroad would be eased greatly by such a loan, the proceeds of the domestic loan helping internally and the New York loan accomplishing a similar service abroad.

Bond Tenders

Dec. 26, School Municipality of Parish of Saint Simeon, Que.—$5,000, 5 per cent 20-year bonds. A. Tremblay, sec.-treas.

Dec. 26—School Municipality of Saint Simeon, $5,000, 5 per cent, 20-year bonds. A Tremblay, secretary-treasurer.

Dec. 18, Town of Almonte: $86,580, 5 per cent, 20 and 30 installment bonds, dated July 1, 1931. R. A. Jamieson, clerk.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Biltmore Hats	Nov.30	36,974	34,320	*.74	*.60	...	35,266	20,160	2	2.7	...
Harding Carpets	Oct. 31	†d.18,310	†2,639	...	...	...	d 3,672	13,137	...	...	...

* After provision for redemption of preferred stock. † Before depreciation.
d loss or deficit.

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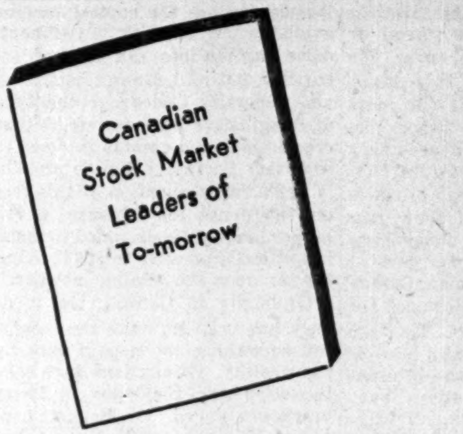

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TORONTO, DECEMBER 19, 1931

TURNOVER TAX WOULD UPSET BUSINESS

ARTICLES appearing in many newspapers throughout Canada forecasting the imposition of a turnover tax by the Bennett government have all the earmarks of being inspired or at least well informed. It seems quite obvious that the government is again sounding out public and business opinions in Canada on the question of the turnover tax as a substitute for the sales tax. A year ago when it was revealed that the turnover tax was under consideration protests from business men all over the country were so vigorous and so numerous that Mr. Bennett was forced to shelve his favorite tax notion. Harrassed by falling revenues and apparently unwilling to curtail governmental expenses drastically, Mr. Bennett is said to be again considering the turnover tax. He is certain to find quite as much opposition to the tax as he met with last year.

The difference between the sales tax and the turnover tax is important. Generally speaking, the chief difference is that the sales tax is a tax that is collected by the seller and is passed on to the buyer in the purchase price. It is charged only once on each article. The turnover tax, on the other hand, is a tax that is paid by the seller as part of his cost of doing business and it may be imposed several times on one article. No doubt an attempt would be made by a system of exemptions to reduce the number of times the turnover tax would be applicable so that the fundamental difference is simply the one as to who is to pay the tax.

It might be expected that the manufacturer, paying the turnover tax, would increase his spread or margin sufficiently to cover the tax. In normal times, this might be comparatively simple for most manufacturers, but in times like these, it would prove exceedingly difficult. Many concerns are taking orders on a basis that provides them with a return of their raw material cost and their labor costs but that allows nothing for general overhead. Many other manufacturers have reduced the allowance for overhead to the minimum. They are actually doing business at a loss—if not an out-of-pocket loss—in order to keep their organizations busy and their men at work. A turnover tax of even one per cent on such business would provide a decided check and make it exceedingly difficult for manufacturers to figure the minimum price at which they can sell without going into the red.

The sales tax has worked exceedingly well in Canada and it is not an unpopular tax. It is easy to collect and it has proved fairly simple to absorb. It would be very unfortunate if at the present time business concerns were forced to upset their accounting organizations in order to adapt themselves to a brand new type of tax, different in incidence and application. If it is essential to broaden the basis of taxation on commodities, it would be far better to do it through a reduction in a number of sales tax exemptions, many of which have been introduced for purely political purposes.

A far better system would be to attempt to reduce government expenditures to a point where no increase in taxation rates at all would be required.

NO FLIGHT OF CAPITAL FROM CANADA

IF WORLD financial problems could be solved by tax resolutions, it would indeed be a simple world. The Board of Control of the City of Toronto apparently thinks that it has found a solution of the borrowing problems of Canadian governmental institutions. It has passed a resolution asking the Dominion government to place an embargo on the exportation of capital from Canada. The resolution seems to have gone through, with practically no discussion, the controllers apparently not knowing enough about the subject to risk their reputations by discussing it. Passing the resolution and sending a copy to Ottawa seemed to be the simplest way of disposing of it. In any event, it sounded good and the unthinking man on the street was bound to believe that the Board of Control was in some manner looking after his interests. The day after the resolution was passed, the controller who sponsored it explained in a newspaper interview that the thought behind his motion was the fact that Canadians have invested in other countries, $300,000,000 more than Great Britain and the United States have invested in Canadian industry. This statement is so far removed from the truth that one wonders where he could have picked it up. Canadians at January 1, last, had approximately $1,900,000,000 invested in foreign countries and the total amount of foreign capital invested in Canada at that date was six billions of dollars. This statement demonstrates fairly enough that Canada is yet a borrowing nation, rather than a lending country. It leads one to wonder where Canada would have been today had there been an international embargo on the flow of capital.

It is not because Canadians are pulling up their financial stake in Canada and investing their money abroad that our governments and municipalities are having difficulty in raising money. It is because the governments and municipalities have over-borrowed in the past and have closed foreign money markets to their issues by their policies of extravagance and reckless capital expenditure. If the Board of Control of Toronto will address itself to solving this problem so far as it is within the power of the civic government of Canada's second largest city, it will achieve the object it has in mind; namely, of creating a favorable market for bonds of the City of Toronto.

BROADER BASIS FOR INCOME TAXES

CITIZENS of the United States are going to face higher income taxes next year, if Congress approves, as no doubt it will, the new tax plan by Secretary of the Treasury, Mellon. Rates have been increased not only in the higher brackets so that 40 per cent of all income over $500,000 goes to the government, but the exemptions have been reduced so that every single individual earning more than $1,000 a year, and every married individual earning more than $2,500 a year will now pay a tax beginning at 2 per cent per annum on the first four thousand dollars of net income. Already this broadening of the base of the income tax in the United States, has received the approval of business editors, who view with less approval the re-introduction of high surtax on the higher incomes.

Great Britain's income tax act has always rested on a very broad base. The tax has been applied to even very small incomes and the rates start at the usual five shillings in the pound and are practically uniform throughout all the brackets. Only the very largest incomes are subject to surtaxes.

Undoubtedly, Mr. Mellon will derive larger revenue from the reduction of the income exemptions than from the enlargement of the surtaxes. It has been discovered that very high income tax rates on high incomes reduce the capital surplus available for creative investment, drive capital into tax exempt securities and into foreign countries, and generally discourage the type of imaginative business effort that creates jobs and creates incomes to be taxed. Secretary Mellon probably has a full realization of this fact and no doubt his increase in the higher brackets is designed to make it politically possible to put through the tax upon the smaller incomes.

Gradually in Canada, the tendency has been to make the income tax something to be paid only by the wealthy. Exemptions have been increased and the rates in lower brackets reduced. Mr. Bennett continued this process last year, but at the same time he made the remarkable move of increasing income tax rates on the middle incomes.

There is a great deal to be said for making the income tax, so long as we must have it, more universal in scope and for levelling down the rates. The income tax would be a fairer tax and a better revenue producer, if there were more uniformity in the rates between the different brackets than if the tax were to start at lower levels. But so long as ministers of finance pander to popular ideas, they are likely to continue the fiction that the man on the street benefits from soaking the rich.

GOLD AND AGRICULTURE

INDUSTRY is not the only department of British business that suffered when international financiers forced a premature resumption of the gold standard upon the nation and that has prospered since the standard was abandoned. Agriculture has also been affected deeply.

Country Life, November 14, says:

> "Among farmers there is a prevalent feeling that those who can manage to find sufficient capital to hold on will shortly begin to reap a living more in accordance with economic requirements. In this sense, there is a growing feeling that the deviation from the gold standard was a great boon to the agricultural community. It is equally true that farmers need have little hesitation in embarking upon cereal culture with renewed confidence, since it is highly probable that steps will be taken to prevent destructive dumping by exporting countries.
>
> "One of the effects of departing from the gold standard has been reflected in the appreciated prices which are now ruling for feeding stuffs. This, in turn, is stimulating the demand for home grown produce, and there are clear indications that some of the cereal growers' troubles are likely to end in consequence."

TILTING AT WINDMILLS

THE affiliated railway men's organizations of Toronto are publishing advertisements in the newspapers in Toronto, urging merchants, manufacturers, and jobbers to ship by railway. The argument they make is that railway employees are an important market for food, clothing, real estate, and all classes of commodities. Business men who ship by rail help to create a large railway men's market for their goods, it is argued.

Overlooking the obvious points that business men who ship by truck are also creating a large market for their products among drivers, employees of automobile companies and employees of gasoline refineries, one may wonder if the money spent on this advertising is not being thrown away. The question of competition between the various forms of highway transport and rail transportation is one that cannot be solved by oblique advertising of this type. The railway has its place and the truck has its place. Where finally each will find its most useful field of service is something that time will tell and the final decision will be influenced by the degree of efficiency and economy shown by each class of shipper in the service it gives. On certain classes of freight the railways will probably never have to bow to the truck. Certainly, when one considers that the average cost of shipping freight by rail in Canada is less than one cent per ton per mile, one must realize that the railways give a service that cannot be duplicated by any other form of land transportation. It may be that the railways have been laggard in adapting the new and younger form of transportation to their service and if so they will in time have to recognize this fact and co-ordinate their activities with highway shipping.

Business men will continue to use the form of transportation that serves their purpose best and that is most economical, and they will not be swayed by such economic futilities as a pure appeal to prejudice. Whoever the Affiliated Railway Men's Organizations of Toronto may be they are plainly throwing their money away when they attempt to convince business men that if they ship by rail—whatever the cost—they will create a large market for their goods among railway men. If business men were to pursue this argument to a logical conclusion, they would make all their shipments by coolies for in such a way they would distribute the largest amount of their freight payments among private individuals.

CRITICISMS OF BANKS MUST BE ANSWERED

THESE are difficult times for banks as well as for other business and financial institutions. That they have suffered substantial losses from the writing down of the value of securities and commodities taken as collateral for loans and through the failure of many of their good customers cannot be denied. In the case of the banks the exact amount of the losses will not be determined for a number of years yet. It is often good banking procedure, in fact there is occasionally no other resort, for the banks to carry bad loans for a long period. Scores of business concerns are being managed from the head offices of banks; others are being directed under very definite programmes set down by banking authorities. There is nothing new or alarming in this situation. It is a natural phenomenon of a period of business depression. From their hidden reserves the banks have already written many millions of dollars off these loans. In coming years there may be substantial recovery in a number of cases which will help to restore these hidden reserves. If the banks were to write out of any year's profit an estimate of the ultimate loss on many of these big loans, and if they were in good times to write back into the year's profits the full amount of the recovery, bank earnings would be subject to very violent fluctuations and the effect of such earnings gyrations on public confidence in the banks, might be unfortunate.

A great many people, including some very level headed Western business men, have remarked to The Financial Post that the losses of the banks on large loans to Eastern investment houses, to promoters in connection with the underwriting of new securities that were never completely placed with the public, to mergers that failed, etc., must have amounted to many times the total losses suffered by the banks on smaller loans to individual farmers, retail merchants, etc. There is often a trace of bitterness in the voice of the man who makes this complaint and it is obvious that there is a feeling in some parts of Canada that the banks do more talking about the difficulty of making loans to Western farmers, for example, than about their losses on promotion financing.

Actually the banks in Canada do very little talking about their profits or about their losses.

The banks are constantly faced with the charge that they lend more freely to the big promoters and financiers in the East than to the small producers of the West. Only half-hearted attempts have been made to answer the charge, and the general public has really very little evidence either in proof or disproof. Nevertheless, the fact that the criticism exists and is being freely voiced is something that the banks must take into consideration in their publicity and their public relation policies. It does not do to allow even an undercurrent of serious criticism to remain unanswered.

POST-scripts

"THERE is nothing new under the sun," and especially in advertising, so we will not say that it is a new device in publicity that is now being worked around Toronto. Advertising dinners constitute the stunt to which we refer. They are run chiefly in connection with churches. If the women of a church or of a society will undertake to sell 200 tickets to a dinner, at 50 cents apiece, the party representing the advertisers will undertake to supply all the food and service. Out of every fifty cents forty cents goes to the women and ten cents to the manager of the dinner. Who pays for the food? There is where the story is.

Those who turned out for such a recent dinner in the basement of a church near Toronto found a menu card on the table which told them that their meal would consist of Blank's soups, So and So's ham, pies made from ABC's pastry flour, etc., etc. It was a wonderful meal, but every item of the food served had been supplied by one or other well known manufacturer who was able by this method to "sample" his products among the leading housewives in this one small town.

When the speech-making began the local toastmaster proposed first of all a vote of thanks to the advertising expert who had put on the dinner. The advertising man replied and in a neat little speech that would have done credit to a subtle Graham McNamee, he managed to work into his address an interesting reference to each of the products served, stressing its one particular selling point.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

RUSSIAN SITUATION

STANDARD Trade and Securities Service, New York, has a review of the present Russian situation. This review gives a better perspective on Russia and Russian competition in world business than business men had a year ago, when they were feeling a bit panicky about dumping from the Soviet Republic.

Competition from Russia is not menacing, viewed in the long-term perspective, is the viewpoint of Standard Trade and Securities Service. Losses occasioned by world depression have been much more serious. On the whole Russia's re-entrance into world markets has benefitted industrial countries but has injured those primarily dependent upon raw materials and food stuffs. Russian exports of the latter commodities probably will continue, somewhat regardless of cost, but subject nevertheless to the retention at home of greater volumes to satisfy increased demands of domestic consumers.

Standard Statistics feels that the five-year plan is not meeting early expectations. Ultimately, the goal will be obtained but not at a pace sufficiently rapid to continue the scope of deprivation now suffered by the masses. Russia today is not communistic in practice and the trend is toward the application of capitalistic methods under guidance of strict dictatorship.

The Kremlin is at present reported as moderating its early visions of world revolution and the political bargaining formerly evolved in foreign trade pacts is being superseded by the endeavor to balance imports against exports. Russia is now attempting to avoid criticisms of dumping.

Standard Statistics takes the view that the establishment of a sizable long-term credit by foreigners would provide the basis for an enormous industrial expansion within Russia and would influence a decided boom in world trade.

In the Mail

Unfair Discrimination

Editor, The Financial Post:

Reference was recently made in your columns to the fact that a mining company had paid its U. S. A. shareholders dividends in U. S. A. dollars and its Canadian shareholders in Canadian dollars. In your last issue, you refer to criticism in New York of Canadian banks which refuse to do this.

It seems to me most desirable that this question should be given as much publicity as possible, to prevent directors making an unfair discrimination against Canadian shareholders. Personally, I have no doubt that it is beyond the legal powers of directors to declare some parts of a dividend to be payable in one currency and some in another, when this results in a different cost to the company in respect of the same number of shares. If this is so, shareholders could cause the directors to refund personally to the company all excess payments made. When the rate of exchange is at par or approximately at par, there can be no objection to a practice that is of general convenience, but at the present time shareholders in Canada should stand firmly on their rights.

Yours very truly,
C. A. ASHLEY,
Assistant Professor of Accounting,
University of Toronto.

Toronto, Dec. 12, 1931.

Press of Canada Asks For Efficient Government

Can It Go Much Farther?

Halifax Chronicle.—Not only have taxes steadily risen, but they are steadily rising. There is no indication that the reign of economy has come. In Britain when his Cabinet refused to cut the national spendings and make income and outgo balance, Premier MacDonald dismissed his Cabinet and formed another Government which would do what everybody in the land was forced to do. He knew, and the Rt. Hon. Philip Snowden knew, that the country could not buy what it could not pay for. And so they determined that the country must pay its way at whatever cost, so they cut down their spendings so that they would have enough money to pay their bills.

"All over Canada," says The Financial Post, "business concerns are fighting hard to avoid bankruptcy and their approach to the problem is through the reduction of costs and the elimination of waste. But always they are faced with the fact that one of the most important items of cost is not going down, it is going up; the item of taxes."

Is it any different in this Province, and can the Province stand it? Can it go much farther without yet more serious difficulty, when we are averaging a day and a half's work a week now, which goes for taxes?

Rigid Thrift Essential

St. John Telegraph-Journal.—The editor of The Financial Post has presented a statement of facts which must be faced and which must form the basis of serious consideration by all forms of government. The necessary public services must be maintained, but every possible leak in the exchequer must be plugged and kept plugged, or very serious consequences will ensue. Our public representatives must appreciate more than ever before the significance of the situation and must stand firm for economic management of government business. Only rigid thrift and businesslike operation will prevent distressing developments.

Taxing and Spending

The Globe, Toronto.—It is near the truth to say that the spending government is the popular Government—at least until the bills come in.

The recent protest of the county council of Simcoe is instructive, as it shows a new discovery. Every county council comprises and represents people who want more public services and have asked governments to supply them. County councils are close to the rank and file of the public. Let them spend a few hours of their closing meetings of the year in studying this taxation and spending question at close range.

Debts Must Be Paid

Winnipeg Free Press.—Finance, debt settlement, has become one of the outstanding problems of the day, is harassing every ministry, every municipal council. In the fat years, now gone, expenditures were made by governments without regard to the future. The country is now waking up to the fact that debts must be paid, and paid not by governments but by taxpayers.

Signs of Public Revolt

Orillia Packet-Times.—What the editor of The Financial Post considers the alarming feature is the continued growth in public expenditure, while private persons and business concerns have been forced to economize. But there are evidences of revolt on the part of taxpayers, particularly in the country. A meeting in Peterborough last week, attended by 1,500 farmers, passed resolutions demanding that a halt be called, and that taxation be cut. There were similar expressions at Simcoe County Council. More and more such voices will be heard, and will make their influence felt with governments in curbing the tendency toward new and constantly increasing expenditure.

Public Is Now Alive

Kentville (N.S.) Advertiser.—The Financial Post, which exercises great influence in business and financial circles in this country, has been consistently pointing out the great burden of public debt which is being built up around the individual who appears on the balance sheet as "per capita," by civic, municipal, provincial and federal governments. Newspapers throughout Canada have taken up the subject and many vigorous editorials have appeared indicating that a large section of public opinion is alive to the perils pointed out by The Financial Post.

We believe the time has come, if it was never here before, when the governments, federal, provincial and municipal of this country should balance their budgets. The Advertiser has consistently advocated a programme of necessary public works as a relief to unemployment. We have not, we believe, advocated any unnecessary public work for unemployment or any other reasons.

The only hope is that those who clamor for unnecessary waterways, railways, canals, social legislation and other such services far in advance of the country's present needs, will learn, before it costs too much to learn, that there is only one way that these things can be paid for—through the tax payer's pocket.

Living Beyond Our Means

Brockville Recorder-Times.—When Parliament is summoned, there is every likelihood that it will be called upon to sanction further taxation in order to meet the deficit which is being incurred week after week, even in spite of the new taxes which were introduced at the most recent session. Revenues have dropped without any corresponding reduction in expenditures. The country is still spending much more than it receives. A continuation of such a tendency will have the inevitable result. Eventually the Canadian people will have to set their house in order as the British people have already done, and will have to endure further sacrifices in order to restore Canadian credit and attain something approaching a balanced budget.

Floating new loans, imposing additional taxation, may furnish temporary relief, but such action will not prove of permanent value. There must be a more drastic curtailment of expenditures before light will be visible, and every additional tax levy that is made makes it only the more difficult for business to recover its normal position. Britain established her national government because she was living beyond her income. Canada is also living beyond her income. The longer such a tendency is continued, the more painful and difficult will become the process of rationalization.

Time to Call a Halt

Kitchener Record.—After all the depression may prove a blessing in disguise. It is tending to bring government leaders right down to the humble individuals to their senses with respect to the all-important question of retrenchment. Additional money is required for relief purposes and this will increase public debts. But the difference can be more than made up on the long run if everyone is convinced of the necessity of discontinuing expenditures on non-essentials.

The Financial Post is carrying on a commendable crusade in its columns to awaken Canadians to the danger of reckless spending.

Leaders of federal, provincial and municipal affairs are not entirely to blame for the additional financial burden incurred during a period of comparatively good times. It is also due in part to the ubiquitous clamor of individual groups for this or that expenditure. We must stop that pernicious habit and come to the grim realization that some day these debts will have to be paid. Which is preferable, a slash in expenditures or a steadily climbing tax rate?

As Others See Us

Lieutenant-Governor's Position

Niagara Falls Review.—In published comment on the supposed failure to get someone who will accept the position of lieutenant-governor, together with its tremendous expense, there is a strong suggestion that the office might just as well be abolished, or at least left vacant for a time. Meanwhile all the official functions are being carried on by the chief justice. A comment by The Financial Post is typical of opinion throughout the province:

> "The matter seems to resolve itself into whether or not we can afford to pay several hundreds of thousands of dollars a year to maintain the social amenities of nine vice-regal systems in addition to the expense borne by the federal government in maintaining the king's representative at Ottawa."

Being lieutenant-governor is simply a social position, for which some wealthy men have been willing to pay a heavy annual price. It carries with it no onerous duties, and seems to consist, for the most part, of being present at various functions. The chief justice can just as well open and close the legislature and sign the bills as any lieutenant-governor. The Review repeats: Let us try doing without a lieutenant-governor for awhile and see if there is any suffering.

"Stop Me If You've Heard This One"

Recently a high executive in the Canadian automobile business was operated upon. The surgeon removed from him a number of gall stones.

When he came out of the anaesthetic the doctor told him what had happened and even revealed the number of stones that had been removed.

Just as he went to sleep again, the automobile man turned over and said philosophically, "Well, it ought to get rid of the body rattle."

Building An Income

The present is an opportune time to assure a future income by acquiring sound securities at favourable prices.

Our investment experience extending over forty years is available for investors.

Address our nearest office.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

CHASE & SANBORN'S COFFEE
Canada's favorite for half a century
A quality product of
STANDARD BRANDS LIMITED
HEAD OFFICE: MONTREAL
A Canadian corporation operating Canada's largest fresh food delivery system

MANUFACTURERS AND DISTRIBUTORS OF
Fleischmann's Bakery Products • Fleischmann's Yeast for Health
Magic Baking Powder • Gillett's Lye • Royal Yeast Cakes
Chase & Sanborn's Tea and Coffee

ESTABLISHED 1908
ROBERT DODD & COMPANY
INCORPORATED
Investment Bankers
The Royal Bank Building, Montreal
HArbour 8141-2

Are *you*...

depriving your Customers *of News?*

TO PUT the story of your goods before the eyes of the real buying power of the Quebec City market you need to advertise in at least two newspapers—one English and one or more French.

To reach the strictly French section of the reading population you have a choice of newspapers. But to get your advertising message before the important English-speaking group, there is only one newspaper—the Chronicle-Telegraph.

The Chronicle-Telegraph completely blankets the *English-reading* buyers of Quebec—and this includes many wealthy individuals and the more influential merchants and industrialists of French origin, as well as the English-speaking executives, business heads, professional men, and families of this great and growing market.

PRINCIPAL INDUSTRIES

The principal industries of Quebec City include: Ship building, lumber, shoes, machinery, brass and iron castings, stoves, trunks, candles, saws, marine pumps, shirts, woodenware, tanneries, knit goods, cigars.

Chronicle-Telegraph
QUEBEC CITY

For advertising rates in the Newspaper of New Quebec address E. G. Smith, General Manager, Quebec, P.Q.

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Business Conditions in Canada

The Week in Business

It's a Hard Winter For Forecasters

Has "Crisis of Confidence" Passed?

PROBABLY at no time in the past ten years have Canadian business men encountered such extraordinary difficulty in clarifying their ideas and opinions as to the future trend of business, than at the present time. The ordinary yardsticks which manufacturers and merchants have been wont to study and apply to their business problems are at the present time apparently thrown hopelessly out of focus by new and complicated problems such as the foreign exchange situation so that unless we are much mistaken there will or should be an unusually lean harvest this year among the optimistic forecasters who usually break into print at this time.

As a matter of fact a really full-blooded analysis of the present business and financial situation as affecting Canada and the world at the present time was attempted last week by Professor W. C. Clark, of Queen's University, before the Empire Club at Toronto. The professor hardly wasted a word in his extraordinarily fine survey of the situation, yet, before he sat down his hearers had listened to nearly 7,000 words which took up over 27 pages of foolscap. This gives some idea of what is required by anyone who would attempt to give anything like a complete picture of the world situation, and anyone who tries to cover the ground in anything much less than this will probably find he has omitted one or more of the factors which may prove to be at the very heart and root of our trouble.

The Financial Post was so impressed by this particular survey however, that it is reprinting it this week in full for the benefit of its readers in the belief that anything less exhaustive at the present time would be of little or no use to business men and executives who are peering eagerly into the foggy, wintery days of 1931 in the hope of grasping some ray of light which will lead them and their particular business out of this hopeless muddle of financial and economic considerations.

* * *

AS TO the particular records of the past week it is almost impossible to see anything that is particularly cheering to business except a growing belief among those who are studying this situation that the "crisis of confidence" (to borrow a phrase from Professor Clark) has passed and that although this has not as yet been reflected in sensitive barometers such as foreign exchange or commodity prices, the very fact that the continued and terrific pall of bad news that has been hanging over business for such a long time now has failed so far to "break" any particular market or nation, may in itself be an omen that we are on our way to better days both financially and economically.

In the meantime foreign exchanges particularly, and also commodity prices, are currently touching new low points in the downward swing and in the case of our own particular country, still lower values for our dollar seem to be ahead of us judging by the action of exchange futures which are currently lower than "spot" or cash prices. As a bright young lecturer at the University of Toronto told his class this week, "In this period of disillusionment when we even doubt the existence of Santa Claus and fairies, it is at least cheering to know (according to Mr. Bennett) that there is still a gold standard in Canada."

MANY BIG FIRMS PLAN TO INCREASE ADVERTISING IN '32

Survey Shows 7 Out of 17 Will Boost Appropriation Next Year

Seven out of seventeen leading Canadian manufacturers report an increase in their advertising appropriations for 1932, while eleven will spend more than they did in 1928, according to a survey prepared by Canadian Advertising Data. National advertisers during 1932 will tend to increase their appropriations over both 1930 and 1931 according to the check-up.

The survey covers one leading Canadian firm in each manufacturing group and in addition to percentage figures showing the relation of 1932 advertising budgets to 1928 and subsequent years, gives percentage figures showing the relation which advertising by each of these companies bears to the total objective of gross sales for 1932. These percentages range all the way from ½ of 1 per cent on the part of a leading life insurance company to 20 per cent which is the ratio spent on advertising by a Canadian maker of a medicated lotion. Of the 12 national advertisers which answered this question, the average ratio of advertising to budgeted gross sales was 5 per cent.

Motors Show Gain

The biggest gain to be made by any individual group is in the automobile field where the advertiser answering the questionnaire reports that its 1932 appropriation will be 157 per cent greater in 1932 than in 1928. In 1931 this same manufacturer spent 142 per cent of the 1928 appropriation. Another industry to make a very substantial gain is the electric refrigeration field. The manufacturer reporting in this industry reports that his 1932 appropriations will be 100 per cent of what he spent in 1928, whereas a year ago the increase was only 33 per cent over 1928.

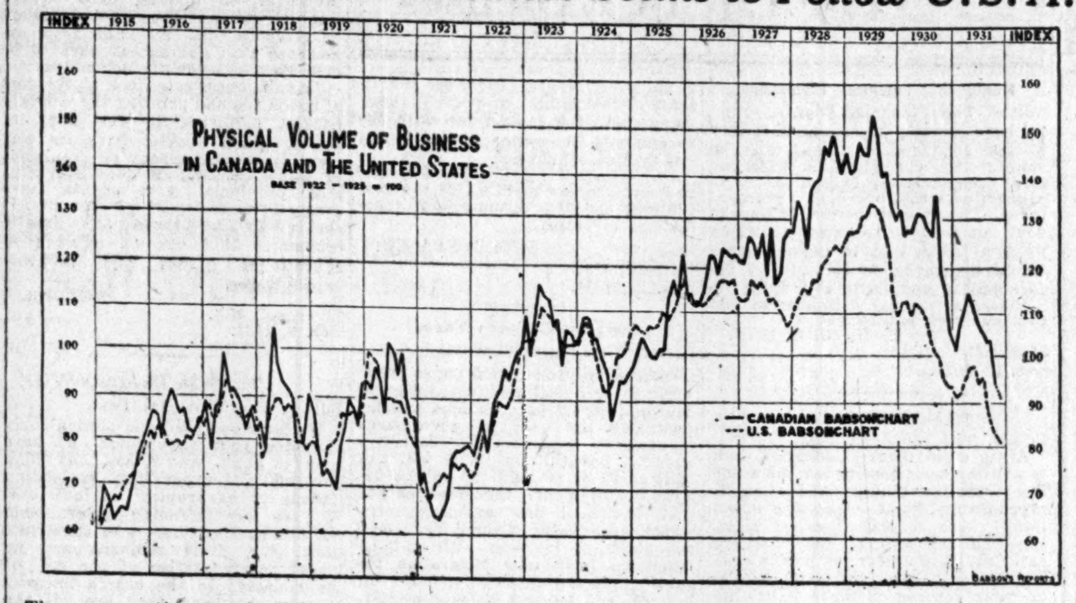
Details are as follows:

Industry	% Increase or decrease over 1928 1931 %	 1932 %	Ratio of ad. budget to gross sales objective %
Automobile	142	157	2.8
Tires	15	15 or more	4.5
Bedding, mattresses, etc.	—5	Same	5
Cereals, flour and feeds	More	?	Varies
Cheese	87	87	6.7
Communications (telephonic)	24	31	..
Electrical appliances	73	..	Lines vary
Electrical refrigeration	33	100	4.5
Gents' collars, shirts, etc.	?	Same	3
Hats	20	Same	4
Life insur.	30	40	.5
Lotion—medicated	15	17	20
Meat packing	20	Same	..
Oilcloth and linoleum	49	26	..
Photographic equipment	21	10	5
Radio	33	33	5.5
Vacuum cleaners	—15	Incr.	5

Less Building In Victoria

Building permits for Victoria were one million dollars less for the first 10 months of 1931 than for 1930. Similar returns for Prince Rupert, B.C., show a slight gain.

Trend of Canadian Business Seems to Follow U. S. A.



The comparative trend of business in Canada and the United States during the past 17 years has been analyzed in the above chart specially prepared by Babson Statistical Institute for The Financial Post Business Year Book 1932, which will appear shortly.

Britain Increases Share Of Canada's Iron Imports

Imports of British Machinery Maintained While Imports from U. S. Drop 44 Per Cent

While Canada's imports of machinery from the United States were dropping 44 per cent, those from Great Britain remained practically constant according to an analysis of trade figures made by The Financial Post of the imports of iron and its products during the 12 months ended October 31, 1931.

Comparison of this period with the 12 months immediately preceding it reveals many other startling instances evidencing that Empire preference is away to a good start, particularly when it is remembered that increased preferences now in force were only in effect for a portion of the period under review.

Less U. S. Machinery

The actual figures for machinery show that while the total imports into Canada for the 12 months amounted to $32,245,451, which represented a decline from the previous year of 41 per cent, this was almost entirely accounted for by the drop from $49,661,956 to $27,767,434 in the value of machinery imported from the United States—a shrinkage of over 44 per cent. British Machinery entering during the 1931 period had a value of $3,695,012 as against $3,717,940 in the previous year, a decrease of about ½ per cent only.

Again, rolling-mill products imported from the United States dropped almost 50 per cent, falling from $38,500,000 to $19,500,000, while those from Great Britain were but 6 per cent lower, declining from $7,100,000 to $6,600,000.

Within the latter classification it is noteworthy that imports of plates and sheets, of which the total was down 33 per cent, the volume from Great Britain dropped but 8½ per cent, from $1,800,000 to $1,700,000 while receipts from the United States fell 42½ per cent from $8,300,000 to $4,800,000.

The above are but a few outstanding illustrations of the trend noticeable in the iron and steel division as revealed by current import figures.

If such changes as these had occurred in a year when trade was expanding instead of in a year of contraction, it would show Canadian imports from the United Kingdom upon a very substantially increased scale. As it is, they have maintained a strong position in face of the fact that the total of Canada's imports during the 12 months ended October 31, 1931, was approximately, $677,500,000 as against $1,065,000,000 in the previous corresponding period, a decline of 36.4 per cent.

The proportion of British to total goods imported by Canada during the past 12 months grew from 15.62 per cent to 17.78 per cent at the same time as the proportion of United States goods entering dropped from 65.5 per cent to 62.6 per cent. As trade revives in Canada and as the full effect of the British preference becomes more evident, a further marked improvement in the proportion of imports from Britain may be expected.

Some idea of the potential market offered to the British manufacturer is well illustrated by the figures shown in the following table which compares total imports of certain items under "iron and its products" and the proportions supplied by the United States and Great Britain.

CANADA'S IMPORTS OF IRON AND ITS PRODUCTS
Comparing 12 Months' Period to Oct. 31, 1931, with Same Period, 1930

	% Decrease from all countries	United States 1931	 1930	% decrease	Great Britain 1931	 1930	% decr.
Pigs, ingots (cwt.)	46.7	223,830	507,516	44.1	118,193	162,177	27.1
Castings & forg. $	49.5	1,925,058	970,547	35.2	239,415	362,754	34.0
Rolling mill prod. $	43.2	19,383,255	38,677,530	49.9	6,612,364	7,059,668	6.3
Plates & sheets (cwt.)	33.1	4,792,122	8,341,884	42.5	1,813,210	1,659,204	8.5
Tubes & pipes, $	51.1	1,736,799	3,702,590	53.1	292,851	488,914	40.1
Wire, $	41.5	603,778	1,195,600	49.5	901,882	1,532,080	41.1
Farm implements, $	77.5	4,644,560	20,747,418	77.6	108,547	138,342	21.5
Hardware & cutlery, $	28.1	1,563,904	2,405,932	35.0	739,372	921,479	19.8
Machinery, $	41.14	27,767,434	49,661,956	44.1	3,695,012	3,717,940	0.6
Tools, $	40.1	1,059,015	1,845,293	42.6	209,950	262,475	20.0
Drums, tanks, etc., $	46.8	524,075	1,141,640	54.1	55,358	72,688	23.8

Business Briefs

Car loadings for week ending December 5 at 49,444 cars were 5.47 per cent below previous week despite fair gains in coke, pulp, pulpwood and paper and other forest products. Index number rose from 73.82 to 73.98, seasonal decrease being less than normal, particularly in western division. Cumulative total of actual loadings for the year to date is 24 per cent under 1930.

Leather footwear output for October at 1,554,144 pairs was seven per cent below September but slightly better than October, 1930. Boots and shoes with leather or fabric uppers were up two per cent, slippers, 42 per cent. Imports from United Kingdom had a value of $69,293 and from U.S. $83,687; total, 34 per cent under October, 1930.

Wheat stocks at December 4 totalled 186,807,435 bus., or 1,390,907 bus. more than the week before, compared with 211,431,865 bus. a year ago. Export shipments at 4,142,702 bus. were 1,412,824 bus. lighter than same week 1930. World shipments of wheat and flour totalled 11,505,000 bus., smallest weekly total for present crop year. Russia shipped under 1,000,000 bus. for second week in succession.

Reinstatement of Estates Function of Insurance

Pointing out that one of the essential functions of life insurance today is the reinstatement of shrunken estates, caused by decreased security values, to the monetary level of boom years, A. Mackenzie, Manufacturers Life Insurance Co., writing to field men in that company's monthly bulletin, declares that familiarity with current security and commodity values is a very necessary part of this service.

An agent can only conduct an interview with confidence if he is sure of his facts, and these can readily be obtained, said Mr. Mackenzie, from study of the financial section of the daily press, current financial journals and publications of trust companies and banks.

In many cases former estate values had been inflated beyond their real worth. The best interests of a client would be served, declared Mr. Mackenzie, by an amount of investment insurance which would stabilize his estate at its true value somewhere between the inflated value of 1929 and the present depressed one.

Farmers Drop Hog-Raising As Hogs Fetch $4 Apiece

Saskatchewan cattle and hog markets are in a very depressed state, according to a report from Weyburn, Sask. Prices are poor, returns to farmers for hogs weighing 180 pounds being less than $4 apiece.

A large number of farmers who went into hog-raising, says the report, intend to abandon it, prices forming no incentive to continue.

Good Sales in England of Canadian Tobacco

Dissatisfaction with the low prices being offered locally for the season's tobacco crop is causing many large growers in the Port Rowan area to turn their attentions to exporting, rather than concluding sales to representatives of Canadian companies.

One large plantation is reported to have contracted for the sale of over 3,000,000 pounds in Great Britain, where, it is said, Canadian tobacco is being well received. So far, however, crops have been moving slowly in the Port Rowan district and it is expected to be two or three months before the entire crop is moved.

Reports from the Simcoe area state that approximately 75 per cent of the tobacco crop in that region has been sold, the average price received for it being around 17 cents per pound. This is only half the price paid last year and is consequently very disappointing to growers, who have had a particularly good crop.

West Seeks to Overhaul Weather Report Service

With a view to improving the weather report service in relation to farming and grain trading in the west, the establishment of 150 new weather reporting stations throughout the three prairie provinces is planned by a conference of meteorologists, agricultural experts, and grain trade executives at Winnipeg.

Roughly, the cultivated area of Manitoba, Saskatchewan, and Alberta would be divided into areas of about 1,200 square miles in each of which a station would be situated to report rainfall or frost direct to Winnipeg for re-distribution from that point.

The present conference is the outcome of years of study and agitation for improved meteorological service in the West, owing to the wide fluctuations caused in the wheat market by unofficial rumors of adverse weather which frequently had little foundation. The recommendation of the conference has been forwarded to Ottawa with the request that the government put it into operation.

Serious Potato Situation Exists in New Brunswick

A matter of vital concern in New Brunswick at present is the disposal of her potato crop, and the necessity of discovering a new and profitable outlet therefor.

The markets of the United States and Cuba are now all but closed to New Brunswick, while those of Great Britain are closed absolutely, due it is understood to fear of the potato bug. Appeals have been made by the Saint John board of trade to the pests branch of the Dominion department of agriculture for co-operation in finding some means of combatting the condition, but so far without practical result.

Heads Pierce-Arrow

D. R. GROSSMAN

Who will control the newly formed Pierce-Arrow Co. of Canada, the most recent branch plant to locate in Canada. The headquarters and plant of the company will be at Walkerville, Ont.

PIERCE ARROW CO. OPENS PLANT HERE

Canadian Company Formed —Will Manufacture at Walkerville

With the formation of The Pierce Arrow Co. of Canada, Ltd., Canada gains another addition to its automobile industry, since the complete line of Pierce Arrow motor cars and trucks will in future be made at Walkerville, Ont.

At the head of the new Canadian company are D. R. Grossman and C. N. Galer, president and sales manager, respectively of the Studebaker Corp. of Canada, whose plant also is at Walkerville.

Many Pierce Arrow cars and trucks are in use throughout the Dominion and the new production facilities portend wider activity and an enlarged market for these products in the future.

Maritime Fish Exporters Say Business at Standstill

Maritime fish markets report depressions in prices such as have not been seen for 40 years, and for local exporters business is almost at a standstill.

It is felt that no let-up in the situation is likely to be seen pending the return to the market of Brazil, the largest consumer in the world, who at present is buying little or nothing because of the bans on the exportations of the milreis. Porto Rico, Cuba and Trinidad, three other good consumers, appear to be over-loaded with fish, added to which Canadian funds are at a discount in the islands of the British West Indies.

Trinidad has been taking fairly large supplies from England, while Havana and Cuba are reported as getting supplies from Europe.

BANKRUPTCY LAW DOES NOT FAVOR CREDITOR CLAIMS

Montreal Better Business Bureau Cites Classic Example

From Our Own Correspondent

MONTREAL. — The manner in which the present bankruptcy laws work to the disadvantage of the creditor, is again scored by the Montreal Better Business Bureau, which in a current communication cites the experience of a large wholesale concern.

This concern, in preparing to close its books for the year on November 30 last, wrote to a Montreal trustee asking to be informed on the prospects of receiving dividends on certain bankruptcies.

Record Fifteen Cases

The position of these failures, in respect to assets and liabilities, was as follows:

	Assets $	Liabilities $
Failure No. 1	2,892	4,518
" No. 2	15,203	14,209
" No. 3	11,514	16,687
" No. 4	6,587	7,810
" No. 5	4,840	10,406
" No. 6	48,052	45,954
" No. 7	17,005	17,564
" No. 8	7,248	6,250
" No. 9	7,081	6,509
" No. 10	2,533	5,488
" No. 11	21,896	32,832
" No. 12	23,155	20,073
" No. 13	6,946	7,739
" No. 14	28,595	26,680
" No. 15	10,195	19,352
	$213,698	$241,579

Position of Claims

The trustee reported to the wholesalers that in cases of Failures No. 6, 12, 13 and 14 prospects of a dividend were unknown. In the case of No. 10 it was too early to tell whether or not there will be any dividend, while for the balance of the cases it was reported that there was no likelihood of any dividend being paid.

Views on Situation

The Bureau goes on to comment upon this situation as follows:

"The above is perhaps the most eloquent example we have had of the futility of the present system of bankruptcy administration. From assets of $213,000 left by debtors, there is little likelihood of a dividend being paid.

"The figures represent the experience of only one merchant with one trustee. It is not by any means an unusual experience. The enormous annual wastage in Canada through bankruptcy has reached the total of $58,000,000—or one third of the National Loan announced last week.

Add to Selling Cost

"Every dollar lost in bankruptcy is a dollar added to selling costs—every bankrupt stock dumped on the market creates unfair competition, and every uninvestigated bankruptcy today clears the way for two more tomorrow.

"An opportunity to correct faulty legislation and administration is not presented every day. That is why the amendments to the Bankruptcy Act to be presented to Parliament next January must be all embracing—there must be no half way measures—no dilly-dallying—the expensive mistakes of the past must be corrected by bold action and the complete reorganization of the administration from Halifax to Vancouver.

Call for Change

"The suggested amendments of the Special Committee of the Board of Trade and Better Business Bureau call for a complete change of procedure — changes found necessary after experience with the operation of an Act which cost the trading community over three hundred million dollars in ten years."

Newfoundland Declares New Government Policy

Under Newfoundland's new financial regime, which became effective December 1, no new expenditure may be incurred by any government department without the written consent of the Department of Finance, according to the "declaration of policy" recently approved by the Governor-in-Council and forwarded by Premier Sir Richard A. Squires to heads of departments.

The declaration outlines the functions of the newly appointed controller of the treasury and deputy minister of finance, J. H. Penson, formerly of the British Treasury. The controller is relieved of purely accounting duties, which will be taken over by the chief accountant of the Dominion, and he will assist the Minister of Finance in co-ordinating the activities of the department and watching expenditure and taxation.

No vacancies in the staff may be filled, no new appointments made or salary increases granted, and no dismissals effected by departments without the approval of the department of finance, and no internal reorganizations may be effected unless reference be made to the controller.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	 1930	Cumulative Jan. 1 to date 1931	 1930
C. P. R. Gross Earn. (Dec. 7)	$ 2,853,000	$ 3,844,000	$ 186,857,000	$ 171,991,000
C. N. R. Gross Earn. (Dec. 7)	$ 3,163,980	$ 3,694,201	$ 168,026,554	$ 210,737,298
Car Loadings (Dec. 5)	49,444	54,537	2,451,249	3,014,134
Common Stock Index (Dec. 10)	62.4	108.8	......	......
Production—		Monthly		
Pig Iron, tons, (Oct.)	......	30,926	380,322	662,795
Steel, tons, (Oct.)	30,926	65,431	623,781	883,902
Newsprint, tons (Nov.)	175,643	201,703	2,033,121	2,319,391
Automobiles (Oct.) *	1,440	4,541	78,935	143,163
Boots and Shoes, pr. (Oct.)	1,554,144	1,552,392	15,289,386	14,898,392
Flour, bbls. (October)	1,693,925	1,868,575	12,510,606	13,679,945
Mineral Production—				
Gold, oz. (September)	240,200	177,800	1,962,800	1,493,919
Silver, oz. (September)	1,239,000	2,644,000	16,104,000	19,902,695
Nickel, tons (September)	2,519	5,122	29,952	41,911
Copper, tons (September)	12,444	13,006	117,499	118,000
Lead, tons (September)	9,550	13,502	107,121	125,831
Zinc, tons (September)	8.217	12,893	95,073	97,665
Coal, tons (September)	1,005,000	1,230,000	8,393,000	10,554,234
Nat. gas, M. cu. ft. (Sept.)	1,558,000	1,660,000	19,288,000	20,884,913
Petroleum, bbls. (Sept.)	101,400	139,950	1,278,200	1,038,756
Automobile Financing—				
Used Cars (Oct.)	$ 1,329,944	$ 2,503,904	$ 18,895,546	$ 29,804,525
New Cars (Oct.)	$ 1,323,443	$ 1,288,553	$ 19,064,405	$ 27,180,805
Construction—				
Building Permits (Oct.)	$ 8,713,402	$ 12,756,402	$ 95,611,669	$ 139,117,752
Contracts (November)	$ 24,642,200	$ 39,310,500	$ 304,224,700	$ 432,457,300
Labor—				
Employment Index (Nov.)	103.0	112.9	....	....
Trade—				
Imports (Oct.)	$ 45,940,874	$ 78,358,351	$ 540,932,769	$ 872,029,781
Exports (Oct.)	$ 55,537,914	$ 82,781,428	$ 494,688,492	$ 746,025,827
Imports of Key Products—				
Rubber, raw, lbs. (Oct.)	3,509,309	4,349,182	48,328,197	56,708,519
Cotton, lbs. (October)	7,588,602	12,716,000	67,922,602	72,354,000
Sugar, raw, lbs. (Sept.)	71,618,900	103,078,100	611,626,900	639,568,600
Petroleum, crude, gal. (Oct.)	97,340,989	94,738,929	862,409,333	867,428,131
Coal, tons (Oct.)	1,446,690	1,930,465	11,030,239	14,789,898
Exports of Key Products—				
Newsprint, tons (Oct.)	171,030	200,775	1,675,255	1,932,366
Automobiles, No. (Oct.)	630	2,868	13,674	38,920
Wheat, bus. (Nov.)	27,452,063	31,217,624	172,508,738	185,530,670
Wheat flour, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Electric Power—Output—				
M. Kilowatt hours (Oct.)	1,425,408	1,515,403	13,533,019	14,745,861
Population—				
Emigration (October)	1,030	2,731	10,862	38,889
Immigration (June)	3,169	13,175	15,510	54,385
Finance—				
Failures, No. (Sept.)	165	192	1,581	1,725
Failures, Liabilities (Sept.)	$ 5,166,575	$ 2,081,447	$ 32,881,623	$ 36,648,414
Bank Debits (Oct.)	$2,586,858,050	$3,617,506,967	$26,106,512,871	$31,505,449,976
Bond Sales (Nov.)	$ 215,025,000	$ 65,149,654	$1,243,213,179	$ 717,081,753
Insurance Sales (Oct.)	$ 36,006,000	$ 46,019,000	$ 403,289,000	$ 471,314,000
Wholesale Prices (1926)=100—				
General Index (November)	70.6	79.8	....	....
Iron & its products (Oct.)	87.3	90.0	....	....
Cotton, raw	40.6	60.8	....	....
Grain	40.0	50.5	....	....

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THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

INT. TEL. & TEL. PAYS $3,900,000 IN EXCHANGE LOSS

Disturbed World Currencies Make Strong Company Dip Into Surplus

The International Telephone and Telegraph Corp. and associated companies had gross earnings for the nine months ended September 30, 1931, of $69,395,387 as compared with $76,695,747 for the first nine months of 1930. Operating expenses were $55,434,549 as compared with $57,889,443 for the same period of 1930 resulting in the net earnings of $13,960,838 as against $18,806,304. Interest and dividend charges of all associated companies and interest charges on International Telephone and Telegraph Corp. bonds outstanding amounted to $7,368,859 as compared with $8,540,959 for the first nine months of 1930 resulting in consolidated net income for the nine months ended September 30, 1931, of $6,591,978 as compared with $10,265,344 for the corresponding period of 1930. Net income for the first nine months of 1931 (after deducting exchange losses) was equivalent to $1.03 per share on 6,402,879 shares of capital stock outstanding in the hands of the public at September 30, 1931.

The earnings for the nine months ended September 30, 1931, give effect to all losses due to conversion of earnings in foreign currencies into United States' dollars at current rates of exchange. The amount of such loss for the nine months of this year so charged against earnings is approximately $2,000,000, or over 30 cents a share on International stock. In addition to the foregoing, a reserve of $1,900,000 has been set up from surplus to cover eventual losses on current assets in the countries which went off the gold standard in September, 1931.

On December 10 the directors declared a dividend for the quarter of 15 cents a share on the capital stock payable January 15, 1932, to stockholders of record December 18, 1931.

The following statement of the consolidated income and earned surplus accounts for the nine months ended September 30, 1931, was prepared in part from preliminary reports and is subject to minor adjustments.

CONSOLIDATED INCOME AND EARNED SURPLUS ACCOUNTS

CONSOLIDATED INCOME ACCOUNT
(Thousands Omitted)

	To September 30, 1931	1930
	$	$
Earnings	69,395	76,695
Oper., selling and gen. exps., taxes & deprec.	55,434	57,889
Net earnings	13,960	18,806
Deduct—Charges of assoc. companies	3,041	4,512
Net inc. before deduct. int. on debenture bonds	10,919	14,294
Deduct—Interest on debenture bonds	4,327	4,028
Net income	6,591	10,265

CONSOLIDATED EARNED SURPLUS ACCOUNT

Earned surplus—	$	$
Jan. 1, 1931	22,645	28,054
Net inc. as above	6,591	10,265
Sundry surplus credits	29,237	38,338
Dividends	8,003	9,547
Approp. for exchange losses on revaluing net current assets of companies operating in countries whose currencies went off the gold standard during the third quarter of 1931	1,900	
Sundry surp. chgs. net	258	
	10,162	
Earn. surp.—Sept. 30, 1931	19,075	28,790

The Companía Telefonica Nacional de Espana (Spanish Telephone Company) is not treated as an associated company so its income is included above only to the extent of interest and dividends received.

STOCK OUTSTANDING

Total shs. of stock as at Sept. 30, 1931	6,402,879	6,642,232
Earnings per share	$1.03	$1.55

POSTAL TELEGRAPH HAS SERIOUS LOSS

Large Public Utility Company Drops $1,247,675 in 9 Months

The consolidated net income of the Postal Telegraph and Cable Corp., and associated companies for the nine months ended September 30, 1931, before interest on $50,670,210 collateral trust 5 per cent gold bonds and debenture stock was $652,458. After providing for bond interest, there was a loss of $1,247,675.

The following statement of the consolidated income account for the nine months ended September 30, 1931, has been prepared in part from preliminary reports, and is subject to minor adjustments:

CONSOLIDATED INCOME ACCOUNT

	$	$
Earnings	26,086,659	28,671,674
Oper. exp., taxes and depreciation	25,397,039	26,290,023
Net earnings	689,619	2,381,651
Gen. charges of assoc. companies	37,161	262,455
Net income	652,457	2,119,196
Int. on coll. trust 5% bonds & debent. stk.	1,900,132	1,900,133
Net loss	1,247,675	*219,063

* Net profit.

Rolling Stock Industry Made Big Output in 1930

Railway rolling stock production in Canada during 1930 was valued at $104,922,701, according to the Dominion Bureau of Statistics at Ottawa. This output was the second highest on record being only exceeded by the value of $126,487,037 for the previous year. Corresponding totals for other years were $73,422,057 in 1928, $74,466,912 in 1927, and $72,706,052 in 1926.

Products during the year included 8,348 new cars valued at $34,533,255; 108 new locomotives at $6,772,938; car wheels worth $3,678,617. The cost value of repair work done on railway cars and locomotives amounted to $34,107,131.

In 1930 there were 37 firms operating in this group of which 15 were located in Ontario and 10 in Quebec, of the total, 4 only made locomotives, 8 made passenger cars; 7 made freight cars, 11 made car wheels and 2 made mine and narrow gauge cars. Plants employed a combined working capital of $95,785,640, purchased materials for manufacturing and repairs worth $60,289,445, afforded work to an average of 25,952 people, and expended $7,625,050 for salaries and wages.

Regina Has Deepest Salt Well

The world's deepest salt well, 98 miles north of Regina, Saskatchewan, is being drilled to a depth of 3,445 feet. The brine is reported to have a saturation of 23 per cent salt.

Lending Institutions Willing to Co-operate Modified Moratorium

Want Mortgage Interest and Tax Payments Excluded

DEFER PRINCIPAL

Government Pushing Out Other Lenders in Rural Ontario by Low Rates

All the great lending institutions of Canada are willing to co-operate with the Ontario Government in a modified moratorium on farm mortgages if such postponement of debt refers only to principal for a limited period of one or two years and if it does not affect the payment of interest and taxes. Hon. W. H. Price, Attorney-General, recently announced that the Provincial Government was adopting a lenient attitude with regard to the $35,000,000 which have been lent to farmers in Ontario through the Agricultural Development Board and that he had had intimations from the large loaning bodies that they would co-operate. Legislation to give time for principal payments at least is fore-shadowed for the next Legislature meeting.

The insurance companies and the mortgage loan and trust companies no longer have much at stake in rural Ontario. The entrance of the Ontario Government into the field pushed the regular lending companies and to some extent the private lender as well out of the field. The large lenders could not do the business successfully except on the principle that loans should be made only to those who have reasonable prospects of being able to pay and for purposes that would increase the productive capacity of the farm or add materially to assets. They also took the attitude that rates should be high enough to meet the expected losses which over a term experience had shown as likely.

Gave Lower Rates

As the result of political agitation the Agricultural Development Board was formed to offer the farmers money at rates which the lending organizations regarded as uneconomic. The new rates were undoubtedly more attractive to the farmer and the lending institutions have therefore devoted themselves more and more to urban mortgages where they had no Government competition.

Criticism against the Government entering the mortgage field was mainly that loans from a Government body were apt to be influenced by other than economic considerations and that therefore losses would in the end be much greater than would be the case with corporation lenders. It is also stated that old mortgages have been replaced by new Government mortgages at lower rates of interest and for sums of money larger than any experienced lenders would be willing to advance at any rate. Losses will come back on the general taxpayer and this is therefore one of the ways of increasing debt against which taxpayers have a legitimate grievance. Taxes obtained from the lending corporations themselves will be devoted in part to making up for the losses of a body which drove them out of the rural field.

Life Companies Lend in Cities

Life insurance companies, which are the largest lenders on mortgages, for example, had mortgages on Ontario properties other than rural of $139,749,148 at the end of 1930 and only $1,250,000 in rural mortgages. In Quebec rural loans by life insurance companies totalled only $100,000 and for mortgages on other properties about $113,159,575. In these two provinces therefore life insurance company loans on rural mortgages only amounted to about one-half of one per cent of loans on urban mortgages.

Government Easier Lender

Yet against this $1,250,000 of the life insurance companies the Government has loaned $35,000,000. It now is obliged because of stress of the times to give what is practically a moratorium on payments of principal and it is probable that eventually there will be large losses on this amount. There probably would have been losses in any case even without the present difficult situation in rural communities judging by the experience in every part of the United States and Canada where farm lending by governments has been tried. The difficulty about all these costly experiments in paternalism is that it takes a considerable period to demonstrate their essential unsoundness, but the disaster in the end is generally the greater for that and the taxpayer pays. The experienced lender has for years been quietly retiring from the field and even farmers themselves have to a degree never before known been sending their funds to the city for investment, not finding the returns in their own districts sufficiently attractive because of the Government competition.

The mortgage and loan companies have also been going out of the field. Two trends have been observed, one for rural companies to be absorbed by larger companies, and the other trend for the companies that remain to go more into urban investments including municipal and provincial bonds than formerly. The idea is that the government of Ontario has assumed responsibility for agricultural credits and therefore others keep out. The corporations have to keep solvent at all costs but the Government has had in the past recourse to taxation and borrowing which resources have been regarded as almost inexhaustible.

The field is now divided mainly between the Government of Ontario and the private lender. The individual lenders also tend to withdraw from the country. Naturally the borrowing farmer prefers the Government not alone because the rate is 5½ per cent but because he believes the Government to be the easier creditor. If he borrowed from his neighbor, that neighbor would expect to receive the interest regularly and on the dot. He would insist on the place being kept up so as to protect his investment and he would also want to see that taxes were paid up to date.

Possession Not Wanted

No lending institution, especially at such a time as the present, wants to get possessed of land. They want to keep good men on the land because that is most in the interests of both. It is well understood, however, among financial men that the worst service which can be done a man is to continue him long in an impossible situation. It happens quite often that where 8 men may be doing quite well in a district a ninth man on exactly similar land and apparently similar conditions will be going progressively backward. It is no real favor to the man to keep him at a business for which he is obviously unsuitable. The lending institution, which as a rule is lending the money of others deposited, paid in on policies or received from sale of debentures, also finds it best policy to get the man on the land who will make a success of it. The policy of Government lending tends to keep many men on the land much longer than is for their good, men who are square pegs in round holes and in many cases might do better at something else.

Would Like Accounting

Private tenders and corporations admit the way should be smoothed in every possible way for the able farmers who are doing their best to help themselves. But nobody is helped in the end if the over-burdened taxpayer must dip deep into his pocket to make good losses on unwise credits which should never have been made. That will be hard for city and country alike.

Business men interested in reducing taxes now feel the loaning policy of the Government should receive strict inspection at this time. The extending of time for payment of principal may be good business at times but continuous refunding of arrears makes eventual taking over of the property necessary whether the lender be government institution or person. In any case they would like to know the exact situation as to arrears.

Assoc. Breweries Earn $1 a Share

From Our Own Correspondent

MONTREAL. — Earnings of Associated Breweries of Canada for 1931 are expected to equal approximately $1 a share on the 224,600 shares of no par common stock outstanding. This compares with $1.89 a share in 1930.

During the year Associated Breweries has distributed 80 cents a share in common dividends. The present quarterly payment comprises 15 cents a share, a rate that had been in effect since September. Previous to that the stock was on an annual basis of $1, which in turn represented a 50 per cent cut from the original rate.

The company operates in Alberta and Saskatchewan, breweries being located at Lethbridge, Edmonton, Regina and Prince Albert.

Leather Footwear Output Dropped 16½ p.c. in 1930

Canada's production of leather footwear in 1930, amounting to 17,646,338 pairs having a value of $40,478,911, showed a decrease from 1929 figures of 13½ per cent in quantity and 16½ per cent in value.

The 1930 output was the lowest, with the exception of 1925, since 1920, and failed by approximately $5,000,000 to reach the average production of the previous nine years.

Imports also were lower, though these declined only 1½ per cent in volume to 1,452,521 pairs and 8 per cent in value to $3,226,120.

Footwear records are divided into 5 main classifications, covering boots and shoes, shoepacks, larrigans, mocassins, and cloth, carpet, and fancy slippers of all kinds. The biggest division comprises men's and women's boots and shoes of all sizes, with leather or fabric tops and output of these dropped 13 per cent below 1929 to 15,634,645 pairs, the value being 16 per cent lower at $38,284,213.

None of the other classifications showed substantially lower output except "footwear of all kinds with felt uppers" which was about 45 per cent lower in value at $794,544.

Creamery Butter Output Higher in Saskatchewan

Saskatchewan's output of creamery butter for October amounted to 1,359,461 pounds, an increase of 340,031 pounds or 33.3 per cent over October, 1930. As might be expected the percentage increase is greatest in the northern section of the province (42.2 per cent) and smallest in the southern section (31.0 per cent).

For ten months January 1 to October 31, 1931, the make amounted to 17,077,372 pounds which is 444,607 pounds more than the highest previous full year's output (1926) and 35.7 per cent higher than that for the ten-months period last year.

The increased output has raised the question of outside markets, and already some 12,000,000 pounds of Saskatchewan butter have been sold outside the province during the current year.

Nfld. Timber Limit Suit May Affect Many Grant

Appeal to the Privy Council again the decision of the Supreme Court Newfoundland upholding the acti of the government in cancelling timber license comprising 1,000 squa miles of land on the Labrador coa is being made by E. Jardine, hold of the license.

The license was cancelled on th grounds that certain conditions h not been performed. The decision the Privy Council in this case w have a distinct bearing on seve other actions now before the cou in connection with timber licens issued to the Gander River Pulp ar Paper Co., current reports state.

Alberta Exports Bees

Bees are being shipped from A berta to the Orient. 1,200 colonies went forward from Taber last month.

Readers Back Fight For Cut in Expenses

Requires Continual Insistence

Editor, The Financial Post,

I have recently become a subscriber to The Financial Post, and wish to congratulate you on the articles you have been inserting in your paper in connection with government expenditures. The average person in Canada does not realize the extent to which we are taxed, and it requires continual insistence on the subject before people apprehend this fact.

Please accept my appreciation and continue your good work.

R. H. BRIDGMAN.

Montreal,
Dec. 12, 1931.

Inequitable Burdens

Editor, The Financial Post,

Along with scores of others I want to add my compliments for the stand the "Post" is taking on the public expenditures. There is only one exception I wish to make against them, like the exposure of the "broker's case" they are a year too late in coming out, but, your series of articles in your leading column, "The Nation's Business" is, if not timely, most appropriate and strongly endorsed by all classes.

The "Post," with other influential papers, should come out very strongly against the present existing unequal rewards of labor and taxation. As an illustration, in the building of the Royal York Hotel the lathers struck for a wage increase. They were receiving $1.35 an hour, and asked for $1.40. A compromise was made with the builders on a basis of $1.37½, an hour for that year, and $1.40 an hour for last year and this year, the agreement for three years. These men, with about $5 invested in their business were receiving more for one hour's work than a farmer would receive, with $25,000 invested, for one day's work. These unequal conditions can only end, as it has ended in general collapse. The efforts of our public leaders, both federal, provincial and municipal, in trying to relieve the situation by spending public borrowings on non-productive enterprises only aggravates the situation, and the most pitiful part is they don't seem to realize their error.

We must decrease taxation where possible; we must adjust the tax burden—no matter how large or how small it may be—more in line with ability to pay and benefits received from governments. Incomes, inheritances, intangible property — these must share the tax burden with the farmer and the owner of city homes and business houses.

Our greatest local, provincial and national problem with which the government can deal directly and immediately, is taxes.

JNO. Z. FRASER.

Burford, Ont.
Nov. 24, 1931.

Suggests Tobacco Taxes

Editor, The Financial Post,

In reading your valued paper every week, I have followed with a great deal of interest your various articles regarding the need of government economy to balance their respective budgets, but this in itself will not fully meet or measure up to the desired requirements, therefore, as has been indicated the various governments are fishing around for some new form of taxation. Might I be permitted to offer a suggestion regarding placing an additional tax on tobacco, and being a smoker myself, I feel no hardships would be wrought on the average individual, through the government obtaining some additional tax on this article.

JNO. BOGLE.

Spring Valley, Sask.,
Dec. 2, 1931.

Much Waste in Government

Editor, The Financial Post,

Your articles on governmental debts in Canada and government expenditures, have interested me and I think you are doing a public service in focusing attention on the serious situation we are facing.

There is no brake at all on provincial borrowings and thus we see provincial debts everywhere increasing beyond the productive capacity of the provinces. Municipal debts are subject to supervision by provincial statutes, though this is continually got around by the passing of special Acts authorizing borrowings beyond statutory limits.

An immediate cut in government current expense is called for, federal and provincial preferably by a reduction in civil service and in the number of members of the upper and lower houses, together with decreases in sessional indemnities and cabinet salaries. We simply cannot stand the expense today.

In quoting public debts, I consider the term "net debt," should not be used. In most cases, the assets deducted from the gross debt to form a net basis, are not carrying themselves. Moreover, in quoting debt figures liability as guarantor should always be given in full. We know from experience that guarantees have to be met when payment is demanded.

To take one waste, look at the cost of compiling and printing the monthly booklet published by the Dept. of Labor, which booklet finds its way monthly into hundreds or thousands of waste baskets. It does not seem that provincial governments have grasped the necessity of economy. It seems to me there are drastic economies that can be effected in educational grants and highway expenditures.

READER.

Liverpool, N.S.
Dec. 3, 1931.

One Who Disagrees

Editor, The Financial Post,

We have analyzed and meticulously dissected your vapourings and have found it punk. And to say that "high governmental expenditure is leading Canada to bankruptcy" is ludicrous. We are not defending governments nor the pack of fools who constitute them, for, "this remnant are no longer representative of the will of the country; in the coarse imagery of popular speech they are but the 'rump' of a parliament."

No country can go bankrupt providing its natural resources are intact and if scientifically organized society for the production, and higher ethical and moral standards for the distribution of wealth — which is Socialism—is not the road to economic recovery, how can you make the absurd and ridiculous claim for your much vaunted "Individualism?"

Take off those biassed and prejudiced spectacles and put on a pair made of intellectual honesty, and walk down the corridors of time and observe the wreckage left in the train of this monster. Meanwhile, not losing sight of the law of altruism. Maybe, like Goethe and Schiller, "you owe the bias of your mind and character to your mother," or "your stomach makes your fabric roll just as the bias rules the bowl."

FRANK FAIRMAN.

Toronto,
Dec. 12, 1931.

Yes; M. P.'s Read Post

Editor, The Financial Post,

I sincerely hope all members of both federal and provincial governments are subscribers of The Post. If not they should be, and very carefully read "The Nation's Business." I could point out to them a great many ways they could save some money. Not much, perhaps, if one instance taken, but when multiplied by the hundreds and thousands, amounts to quite a sum. I notice that population of Manitoba, Saskatchewan and Alberta has increased during past ten years by approximately 392,000, while in the same time taxes for same three provinces have increased by over $16,000,000.

The article in Maclean's "The High Cost of Government," should also be excellent medicine if taken internally and eternally.

J. C. STEPHENS.

Hatton, Sask.,
Nov. 25, 1931.

Editor, The Financial Post,

I wish you would continue to fight the cost of government. Abolish all unnecessary offices. The burden is getting too heavy.

W. H. HAYMAN.

London,
Dec. 8, 1931.

B. C. Egg Industry Active; Big Shipments Eastward

The egg industry in British Columbia appears to be at present the liveliest spot in the realm of agriculture. The B. C. egg pool is reported to be shipping to the prairies and eastern Canada, three and four carloads of eggs weekly, which, with independent shipments, is estimated to be putting into the pockets of poultry owners in the province in the neighborhood of $5,000 a day.

The falling off of production of eggs elsewhere in Canada indicates still better prospects in sight for coast producers, for while egg prices are much lower this year than at the same time in 1930, these are compensated to some extent by lower feed prices and labor costs.

Device for Drying Bark Invented by Torontonian

A Canadian has invented a device for drying the wet bark after it is stripped from the tree, and drying it to a degree when it can be used as fuel in place of coal.

The inventor is R. C. Wiren, an instructor in mechanical engineering at the University of Toronto, who claims that his invention is capable of effecting great fuel economies, two pounds of bark having a fuel value of one pound of coal. Devices existing in Canada for drying bark are all of foreign manufacture, Mr. Wiren states. His invention is very cheap to manufacture.

Plants in Farnham, Que., Operating on Full Time

A decided improvement in manufacturing activity during November is reported from Farnham, Que. The R. C. Wilkins Co. Ltd., which has been working on a 44-hour week for a long time past is now on a 49-hour week and is considering taking on a number of new employees shortly, while the Collins and Aikman Co. of Canada, Ltd. is now running a night shift.

Another plant, Barry & Staines Linoleum Co. is finding it impossible to make up any merchandise for stock, orders already on the books calling for full time operation.

Air Traffic Keeps St. Hubert Port Busy

The volume of international air traffic through the St. Hubert air port, Montreal, has been well maintained during the present year. During the seven months period April to October inclusive, a total of 396 planes checked in at this port and 382 checked out.

Passenger traffic has also kept up well, 386 persons having arrived and 487 departed, during the same period. Mail traffic has been fair, letters inward amounting to 3,328 bags, and outwards to Albany and points south, 1,275 bags.

Purely domestic business has suffered materially since the suspension on April 17 of the daily service between Montreal, Saint John, and Moncton, and on August 17, of the daily service between Montreal and Toronto. The figures quoted are for the regular air line operated daily between Montreal and Albany and New York.

Parity of Canadian Dollar and Pound Sterling Urged

A parity of status between the Canadian dollar and the British pound sterling was one of the suggestions made recently as a remedy for the wheat situation in Canada by C. G. Coote, M.P., recently in Calgary.

The break in wheat prices, he said, had been the greatest factor in bringing about depression in Canada, and if the dollar was at par with the pound, wheat would increase at least 10 cents in price. If this were true, he continued, it would be more to Canada's advantage to have the dollar at par with the pound rather than with the United States dollar. The same held with regard to cattle and other commodity exports to Great Britain, he stated.

Welcome gifts at little cost

BELOW we list the most suitable gifts for Christmas. And they are economical gifts, too—just note the prices. You can't please a smoker better than by giving him "smokes" for Christmas.

At this season all Tuckett brands of cigars, cigarettes and tobaccos are gaily wrapped, making them specially appropriate for Christmas giving.

So to all who have smokers on their Christmas list, we say—visit your nearest dealer, who will be delighted to help you make a wise selection of Tuckett brands—the "Happy Gifts for Smokers."

Cigarettes
Famous Brands in Christmas Wrappings

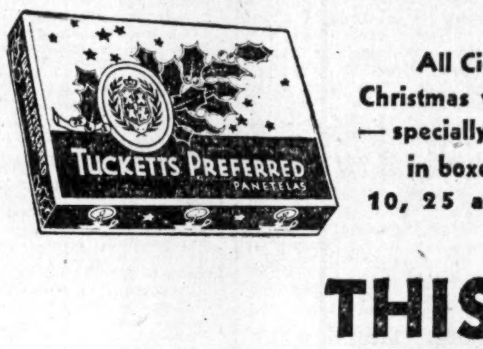
Buckingham
CIGARETTES
100 CIGARETTES

Buckingham Cigarettes
Boxes of 50—60c
4 Packs of 20 in container, $1.00
Tins of 100—$1.20

PHILIP MORRIS & CO.
Virginia Oval Cigarettes
Plain or cork tips
3 Packs of 20 in container, $1.00
In tins of 50—85c
In tins of 100—$1.70

Herbert Tareyton Cigarettes
3 Packs of 20 (plain) in container, $1.00
4 Packs of 15 (cork) in container, $1.00
In tins of 50 (plain or cork), 85c
In tins of 100 (plain), $1.70

Melachrino
Plain or cork tips
4 Packs of 10 in container, $1.00
In tins of 50, $1.25
In tins of 100, $2.50



All Cigars Christmas wrapped — specially priced in boxes of 10, 25 and 50

Cigars
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TUCKETTS
MARGUERITE
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MONTREAL

Tucketts Preferred Cigar

Concha	10c
Epicure	2 for 25c
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Tucketts Marguerite Cigar
10 cents each

Tucketts Montreal Cigar
5 cents each

Tobaccos
Most popular brands in handsome Christmas containers

HERBERT
TAREYTON
LONDON
SMOKING
MIXTURE

Herbert Tareyton London Smoking Mixture
In Humidor glass jar, packed in Special Christmas carton (ready for mailing)
½-pound jar, $1.50
1-pound jar, $3.00

Wakefield English Mixture
½-pound tin—in Christmas wrapping
Price $1.00

T. & B. Pipe Tobacco
½-pound tin—in Christmas wrapping
Price 90 Cents

Buckingham Tobacco
Fine cut for cigarettes—Coarse cut for pipe
½-pound Vita-Pack tin in Christmas wrapping Price 80 Cents

THIS CHRISTMAS GIVE
TUCKETTS
CIGARS CIGARETTES TOBACCOS

These brands are manufactured and guaranteed by The Tuckett Tobacco Co., Limited, Hamilton, Ont.

T-31

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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QUEBEC URGED TO PLACE CURB ON LOAN SHARKS

Hon. F. Carrel Asks House to Study Small Loan Field

PRAISE POST'S STAND

Tribute Also Paid to Pioneer Work of A. Desjardins, Founder of People's Banks

A strong plea that the Quebec government give serious study and investigation to the question of industrial or small loan banks within the province was made by Hon. Frank Carrel, M.L.C., and vice-president of the Quebec Chronicle-Telegraph, before the provincial legislature last week.

"I think that anyone who is at all familiar with the small loan business will agree that it fills an economic need in our community, that the business is here to stay and that the borrower would be at the mercy of the loan shark without the small loan companies. Deplorable as it is that many people need to borrow money if they must borrow, it is desirable and wise that the lenders operate under very rigid supervision and under a code of ethics that is satisfactory."

Praises Post Article

High tribute was paid by Mr. Carrel to the recent articles which appeared in The Financial Post drawing attention to the widespread operations of loan sharks in Canada and urging that steps be taken by various governmental bodies to clean up this situation which is costing millions of dollars annually in exorbitant interest charges. In this connection he said:

"Perhaps the most significant stimulant to my efforts in bringing this modern system of industrial banking before our government is the recent action of The Financial Post, one of Canada's leading financial journals, which is energetically campaigning in favor of the adoption of the Uniform Small Loan Law, either in the federal or provincial legislatures.

"It is impossible to quote any parts of these articles excepting to say that their objective is to mold public opinion so that our statesmen will be aroused to action in order to rid our people of a hidden abuse, which, like a disease, seems to be spreading in our midst.

"The advent of such industrial banks as I have endeavored to review according to The Financial Post, is 'an imperative need.'"

Outlining the need and function of industrial banking Mr. Carrel said:

"I would like to bring to your attention a credit system promoted to meet a condition affecting a large class of our citizens. I refer to what is known as the small loan industrial banking system, which has sprung into existence during the past few years, in the United States under the Uniform Small Loan Law. It has been adopted in over 25 of the 48 states of the Union.

"This legislation assists the industrially employed citizen who has no bond, real estate, or collateral security upon which to raise a loan in the ordinary way. And yet, frequently these citizens are in need of borrowing a few dollars to tide them over some sudden financial embarrassment.

Fills Real Need

"As a rule, in cases of this kind, with extreme pressure coming from creditors, or, through illness or death of members of their family, the money is of immediate necessity.

"They cannot go to a chartered bank for the simple reason that they have no security upon which to obtain a loan. They are left with only one asset, namely, their personal integrity and character. Upon these assets, the industrial or personal finance banks, operating under the Uniform Small Loan Law, come to their assistance.

Now Huge Business

"Over $2,600,000,000 is estimated as the amount annually loaned to millions of citizens in the United States in small loans, through chain and individual companies, working under state charter and legalized rate of interest. This is in addition to the $4,000,000,000 of credit extended through installment sales on automobiles, furniture, etc.

"Time will not permit a full review of this new system of industrial banking but I will give you the salient points in its favor with the suggestion that our government might give it further study and investigation.

Drives Out Sharks

"It has been found to be a practical and proved system under government control, to drive out the loan sharks and to protect our small loan borrowers. Strange to say, one hears very little of the extortionate rates of interest imposed upon small loan borrowers. The unfortunate victims are oftentimes too proud to admit that they have been compelled to seek such financial assistance from unscrupulous money lenders, but they have no other alternative. The prospect of losing their positions also keeps them silent even though forced to pay from 200 per cent to 500 per cent interest.

"I became interested in this new system of small loan industrial banking some years ago, and took occasion to spend two or three days in New York investigating it. I also studied the opinions of leading economists, university professors, and financial experts, upon its operations and I have yet to read a serious or well-founded criticism against it.

Not Bank Competitor

"I have also seen some of its excellent work and I can assure the honorable members of this council that the system is well worth further consideration. Such banking as I have described in no way interferes with our present successful banking system, nor does it introduce a competitor.

"It may be said, with some truth, that the interest charges legalized by the twenty-five states when compared with ordinary commercial bank interest rates, are high. But when it is understood and known that such legislation did not pass the two legislative houses of all the governments of the twenty-five states, without being debated and thoroughly studied from every angle, there can be little doubt in the minds of anyone, that wherever that system is recognized, that such charges are neither too high nor too low.

Typical Firm Described

"I know of one chain of small loan banking institutions in the United States, operating over three hundred and forty branches, in the leading industrial centres of that country, which is loaning this year some seventy millions of dollars through its branches, to over 400,000 families. Three hundred dollars is the limit of a loan to any one individual. The average amount is about one hundred and twenty-five dollars, so you can picture in your minds the cost of overhead charges attached to making a single loan. The borrower has to fill in a form and answer many questions, which expert and tactful officials have to personally investigate, and it is only one out of every three applicants who measure up to the requirements.

"The small loan industrial banking system encourages and develops thrift among their borrowers. The company I have just referred to possesses almost 30,000 bond and shareholders, many of whom never knew what it was to own either security until after they obtained their first loan.

"No greater school for educating the working classes in thrift exists in the United States than the many industrial banking agencies which are operating there today.

"Their capital structure contains no 'watered' or inflated stock, while interest and dividends have been regularly and continuously paid ever since the inception of the larger companies and all are in a healthy financial position, administered with boards of directors composed of some of the most prominent financial and industrial men in the country."

Quebec Man Praised

Tribute was also paid by Mr. Carrel to the part played in the development of the present system of industrial banking in the United States, by Alphonse Desjardins, founder of the famous Quebec credit or people's banks which have had such a long and successful career. Mr. Carrel said:

"But the most interesting fact of this modern system of industrial banking is that a Quebecer, Alphonse Desjardins, a resident of this city, was one of the original promoters of the American group of small loan banks and the first person to start the movement in America, establishing the first co-operative credit bank in Levis in 1900 long before any similar institution came to life in the United States.

"It is therefore pleasing to note that several of the recent histories of this modern American industrial banking system give Mr. Desjardins credit for his part in its promotion."

British Bonds Are Sound; French Issues at Premium; Germany's Sell Down

High Discount on Our Dollar Makes Bonds of France Unattractive Now to Canadian Investors

ARTICLE THREE: BRITISH, FRENCH, GERMAN BONDS

The Continent of Europe a few years ago indulged in a war on a totally unprecedented scale, unmindful of the huge debts incurred and property destroyed, not to mention the terrific toll of human life. Today, in a more sober frame of mind, European statesmen are working day and night in a frantic effort to save Germany from bankruptcy and, incidentally, to save the world's monetary system from complete collapse.

Nearly every important European nation is carrying an enormous burden of debt, and, with the exception of France, is finding the load almost unbearable. War debts owing to the United States government amount to about $11,000,000,000, while each country has an internal and external funded debt of several times the pre-war figure. In 1913, the per capita debt of England was $72.50. In 1930, the debt was $842.50 per capita—and similar increases are common throughout the entire list of European nations who engaged in the Great War.

The Position of England

Turning now to a survey of the more important countries of Europe—with particular reference to their outstanding obligations, we, naturally, think first of England—or more correctly, the United Kingdom of Great Britain and Ireland. While the recent difficulties which this nation has been facing are of vital interest to all, investors in this country have not purchased English government bonds to any extent. Only one issue is listed on the New York Stock Exchange—the 5½ per cent loan due in 1937.

Within the past week, these bonds have sold within a point of their lowest price of 88, reflecting the grave nature of the present international credit situation which, of course, involves Great Britain as well as Germany. In spite of all these difficulties, and in spite of England's departure from the gold standard, her bonds command a price far above those of most other countries, and, in fact, are only surpassed by the obligations of the United States, France and Switzerland. This is a tribute to the inherent soundness of English economic life and the high character of her people. No other country could weather the disasters of recent years and still find its bonds selling at a high price.

It has already been stated that our interest in England is a family interest rather than a financial one, so that it is scarcely necessary to attempt an analysis of her fundamental credit standing along the lines mentioned in the previous article. We are satisfied that the Englishman will find a way out of his dilemma and restore English credit to its previous high level.

France Back to Prosperity

Within the short space of three years, France has progressed from a weak to a strong position. In 1928, it still appeared doubtful whether the attempt at stabilization which had just been made would succeed, while today, in some respects, at least, France is the dominant political and financial power in the world. The reasons for this speedy and spectacular come-back will be apparent in the following discussion of the various elements of French credit.

The thrifty nature of the French people is well known, and has been one of the essential factors contributing to the prosperity of this nation whose resources are much less valuable than those of many other countries. Thrift and honor go hand in hand, so that it is not surprising to find a high degree of responsibility toward creditors on the part of the government. With the exception of the repudiation of debts during the French Revolution and the scaling down of debt with the depreciation of the franc after the Great War, there has never been any evidence of bad faith. Both of these incidents were quite beyond the power of the people to prevent—although the franc devaluation was probably overdone—so that we may safely infer that the character of the French people justifies a high credit rating for the country's obligations.

Economic Status of France

Being largely an agricultural country, France is far less dependent upon other nations than, for example, England. Wheat, rye, wine and silk are leading products of the fields, while large coal, iron and potash deposits form the basis for a healthy industrial life. Nevertheless, exports do not reach the amount of imports, so that France would have difficulty in meeting foreign obligations if invisible credit items did not balance her international account. Tourist traffic is the most important credit item in this account, and together with the returns from shipping services offsets the unfavorable trade balance.

Previous to the stabilization of the franc in 1928, circulation had been increasing rapidly, but in recent years the increase has been more moderate, while the gold reserve ratio has risen, due to the steady influx of gold. France holds about $2,500,000,000 of gold out of a total world supply of $10,000,000,000 or $11,000,000,000. This represents a gold reserve of 83 per cent of outstanding notes—higher than any other country in the world.

French Budget Balances

Although budget equilibrium was necessarily upset by the war, the French Government has brought in a balanced budget in every year since 1925. So far, France has escaped the grave industrial depression to a large extent, and the government has not been faced with falling revenues. It is noted, however, that revenues in 1931 to date have been dropping, and it is now estimated that a deficit of about $90,000,000 will have to be faced when the fiscal year ends. This is not a large deficit—in fact, less than we will have here in Canada this year. It will be surprising if larger discrepancies between revenues and expenditures don't make their appearance in the French income account, but there is every reason to believe that prompt action will be taken by the government to increase taxes to meet the situation.

Nature of Loans

On the count of political stability, France is both strong and weak—strong because a large part of her population are property-owners and brook no leanings toward Communism or other radical ideas—weak for the reason that in recent years it has been extraordinarily difficult for one party to remain in power for more than a few months. There have been elections by the dozen; but in spite of changing parliaments, a steady conservative course is followed by the various leaders, with the result that radicalism has perhaps grown more slowly in France than in any other important nation.

French financing in the United States has been uniformly profitable to investors on this continent. French Government 7 per cent bonds, due in 1949, were sold here in 1924 at 94, and are now selling at 111 in New York. They have been higher than this—partially due to heavy sinking fund purchases by the French Government.

The application of various tests to the bonds of this country would indicate that they provide a safe investment. In this connection, however, it is important that holders of the bonds realize the real market price of the bonds in terms of Canadian money. At 111 in New York, the 7 per cent bonds are worth 133 in Canada, with a 20 per cent premium on New York funds. At 133, these bonds yield less than 4½ per cent to maturity, or nearly 1 per cent less than our own government bonds. No matter how strong the position of France may be today, it surely would be folly for a Canadian investor to accept 1 per cent less from any foreign bond than can be obtained from our own government—to the maintenance of which we contribute practically every day in the year.

Outlook For German Bonds

When the 5½ per cent bonds of the German Government recently sold below 30 per cent of par, and other issues at relatively low prices, it seemed to indicate that the prospects of receiving interest on the bonds were exceedingly remote. If interest was to be paid without interruption, the annual return on the bonds at 30 would be over 20 per cent. Will the interest be paid? That is what everyone wants to know, and what no one can forecast definitely. It is said that the funds for all January payments are already in New York, but what about February and subsequent months?

To some writers it seems that German bonds today are among the best speculations in the security markets. It is possible that interest may be deferred for a short period, but it is almost inconceivable that Germany will repudiate her obligations to foreign bondholders. Can she pay if she wishes to

(Continued on page 15)

HARDING CARPETS HAD LOSS $5,310 IN FISCAL YEAR

Reduced Prices and Lower Buying Power Account For Result

After a very trying year in which volume of sales was lower owing to reduced prices and diminished buying power, Harding Carpets presented a statement for the year ending Oct. 31, 1931, which the directors considered "a fair showing for the year's operations." The operating loss was $5,310, or $18,310 after moving $13,000 to reserve against inventories. The discount on redemption of preference shares was $1,500 and the balance at credit at the beginning of the year was $13,138, or $14,638 in all. The deficit at the end of the year was therefore $3,673.

INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	1931	1930	1929
	$	$	$
Earn. from oper.	*5,310	19,145	47,152
Less: Deprec. ..	....	....	24,420
Exp. app. to orders on hand, 1928	....	....	14,000
W/o prelim. & oper. exp.	....	4,506	4,507
Prov. for taxes	....	....	1,000
Res. against invent.	18,000	12,000	....
Net profit for period	*18,310	†2,639	8,225
Less discount† ..	1,500	....	....
Add: Prev. surp..	13,137	10,498	7,273
Bal. carried fwd.	‡3,673	13,137	10,498

†On redemption of preference shares.
*Loss. ‡Deficit.

Bank Loan at $209,000

The liabilities were materially reduced during the year and are now represented only by the bank loan of $209,000, which is secured, and accounts payable of $13,683. Current assets are shown at $328,784 and current liabilities at $222,683, leaving working capital of $106,101. On Oct. 31, 1930, current assets were $402,947 and current liabilities $271,394, leaving working capital of $131,553.

The total fixed assets amounted to $828,684 of which land is shown at $33,120, buildings at $446,464, machinery and equipment at $341,006 and furniture and fixtures at $8,094. No provision was made toward depreciation of plant accruing during the year.

No dividends have been paid to date on $750,000 of 7 per cent preference stock still outstanding. There is a contingent liability for bills under discount of $8,574.

Working Capital

	1931	1930	1929
	$	$	$
Current assets .	328,784	402,947	514,518
Current liabs. .	222,683	271,394	343,066
Working capital	106,101	131,553	171,452
Ratio	1.4—1	1.5—1	1.5—1

B. C. SUGGESTS PLAN TO BARTER WITH BRAZIL

Pulp, Fish, Foodstuffs and Apples Would Be Exchanged

From Our Own Correspondent

VANCOUVER.—Barter of leading commercial products of Canada and Brazil has been suggested by British Columbia business men as a means of extending Canadians' market in South America and reducing the cost of coffee imports to this country.

Owing to the fact that all payments to Brazilian coffee companies are made according to the prevailing status of United States gold funds, Canadian importers of Brazilian coffee have been suffering a serious disadvantage. Trade with Brazil has been threatened as a result of this condition, and British Columbia importers who have a stake in this business have been looking about for a means of overcoming the present difficulties.

Originated in U. S.

The plan of international barter was originated recently by United States interests who arranged for a trade with Brazil for coffee. If the United States can do this to the mutual advantage of the two countries, Canada should be able to do so, too, in the belief of those supporting the plan here.

Present tariff restrictions have been such as to impede the growth of Canada's exports to Brazil in the past, although a recent modification of the tariff on apples will allow Canadian apples to enter the Brazilian market on the minimum tariff. Other fresh fruits are similarly affected.

However, in commodities such as canned fish and other foodstuffs the tariff is so high as to discourage trading under the conventional sales plan. For that reason the barter idea has gained favor.

Pulp and Paper Involved

Lawrence W. Killam, president of B. C. Pulp & Paper Company, says that his company produces a grade of pulp suitable for export to Brazil if tariff and exchange were satisfactory. He agrees to co-operate in a proposed barter of Canadian and Brazilian goods, and similar friendliness toward the project has been expressed by the executives of other large exporting organizations.

Premier S. F. Tolmie has supported the proposal with enthusiasm and will take up the matter with Hon. H. H. Stevens, minister of trade and commerce, before the latter leaves for Honolulu to assist in drafting the proposed trade treaty with New Zealand.

Exhaustive Domestic Coal Tests

Widespread and exhaustive tests of Nova Scotia and British Columbia bituminous coal indicate the feasibility of replacing with the Canadian product a large tonnage of outside fuel, it is stated by John McLeish, director of the Mines Branch of the Dominion Government. All tests showed that a highly satisfactory domestic fuel could be produced, he said. In this connection about 60 per cent of the total coal requirements of the Winnipeg Electric Company are being obtained from Michel, B.C., while the Montreal Coke Manufacturing Company is trying out a large quantity of Nova Scotia coal.

BILTMORE HATS SALES ARE DOWN BUT PROFITS UP

Banks' Loans Eliminated and Financial Position Strengthened

In spite of a reduced volume of sales during the year ended Nov. 30, 1931, Biltmore Hats, net profits after depreciation amounted to $40,278 as compared with $36,606 for the previous period. This was equivalent to $13.01 a share on the 7 per cent preferred stock and 76 cents a share on 20,000 no par value common shares as against $11.50 a share on preferred and 60 cents a share on common stock earned in the year ended Nov. 30, 1930.

INCOME AND SURPLUS ACCOUNT
Years Ended November 30

	1931	1930	*1929
	$	$	$
Net earn.†	40,278	36,606	26,740
Less: Inc. tax prov.	3,304	2,286	1,741
Net profit	36,974	34,320	24,999
Less appropriations:			
Pref. divds.	20,414	20,974	15,750
Prov. for red. of pref. stock ..	1,678	1,325	1,013
Surp. for period ..	14,882	12,021	8,236
Add: Prev. surplus	20,160	8,236	.....
Bad debts recov.	767	.....	.....
Less: Add. 1930 inc. tax	543	.....	.....
Sundry adjust. ..	.....	97	.....
Bal. carried fwd...	35,266	20,160	8,236

*Ten months ended November 30, 1929.
†After depreciation, etc.

Working Capital Stronger

Working capital advanced during the year from $236,304 to $256,314. Current assets of $282,063 were nearly 9.52 times current liabilities of $29,619, whereas a year earlier current assets of $292,705 were 5.19 times current liabilities of $56,401. The principal changes in current assets during the year were an increase of cash from $100 to $32,051 and declines of accounts receivable from $100,389 to $85,389 and of inventories from $190,435 to $162,482. Bankers' advances of $28,307 were paid off during the year and accounts payable dropped from $20,456 to $19,808. Reserve for income tax is $3,870.

Costs Under Control

Preferred stock redeemed jumped during the year from $1,500 to $14,000, and $4,214 have been redeemed in advance of requirements.

The management reports that it has followed the policy of keeping costs and inventories under complete control. The company is in the best position in its history to cope with adverse conditions or to profit from an improvement in buying power of the public when that occurs.

Working Capital

	1931	1930	1929
	$	$	$
Current assets ...	282,063	292,705	340,932
Current liabs.	29,619	56,401	122,169
Working capital ..	252,444	236,304	218,763
Ratio	9.52—1	5.19—1	2.79—1

GUELPH CARPET COVERS DIVIDEND COMMON STOCK

Company Reports Slight Increase in Past Period

From Our Own Correspondent

MONTREAL. — Net earnings of Guelph Carpet and Worsted Spinning Mills in the fiscal year ended September 30, 1931, totalled $166,103 compared with $152,576 in the previous year. After deduction for depreciation and income tax net profit showed a gain of $2,000 at $97,682.

Preferred dividends were covered more than one and one-half times, while common share earnings were $1.05 against 87 cents reported in the preceding period. During the year dividends on the common stock were paid at the rate of $1 a share; surplus for the year was $1,617, compared with a deficit of $4,381 in 1930.

Profit and Loss Figures

Following is a comparison of income accounts for the past two years ended September 30:

	1931	1930
	$	$
Net earnings	166,103	152,576
Less: Depreciation	62,693	64,781
Net oper. profit	103,410	88,395
Add: Dvds. rec'd.	1,805	1,841
Int. and other inc.	7,720	13,229
Less: Taxes	15,253	8,000
Net profit	97,682	95,465
Less: Pref. dvds.	61,065	64,846
Common dvds.	35,000	35,000
Surplus for year	1,617	*41,381
Add previous surp.	39,015	43,396
Bal. forward	40,632	39,015

*Deficit.

Strong Liquid Position

Working capital, though showing a ratio of 29 to 1 between current assets and current liabilities, was lower by $41,000 at $861,046. Current assets were $891,330 against current liabilities of $30,284.

In assets, cash is lower by $5,000 at $11,203 and investments, including call loans, total $133,113 compared with $180,413. Accounts receivable are lower by $22,000 at $211,497 and inventories have increased by $41,000 to $535,517.

Land and buildings are valued at $477,895, before depreciation, compared with $445,450, after depreciation in the previous year. On the same basis, plant and equipment is carried at $575,948, an increase of $125,000.

Set Up Depreciation Reserve

In liabilities depreciation reserve of $143,228 is shown, being the first time this item has been segregated. Current liabilities total $30,284, an increase of $9,000.

Surplus account has been increased by $3,832 to $271,051; representing a gain on redemption of preferred shares. During the year $29,000 of preferred shares were redeemed, leaving $921,000 outstanding.

In his remarks to shareholders, H. Quarmby, president of the company, points out that the board feels the company has done well to maintain earnings in face of business conditions for the past year.

Wheat Yield Prospects Favorable to Slash In World Carryover

Royal Bank Expects Reduction in Carry-Over

DEMAND QUICKENS

Canada Shares in Increased Shipments and Exports Have Been More Extensive

From Our Own Correspondent

MONTREAL.—Wheat crops harvested throughout the world during the present season will be materially smaller than those of last year. It is believed that a substantial reduction will be made in the large carryover from previous crops which has long overshadowed the wheat market. The growing realization of these more favorable conditions has caused a quickening in the demand from importing countries and has been responsible for the recent upward movement in wheat prices. Canada has shared in the increased shipments and exports of wheat have been in greater volume than for many months, according to the Royal Bank of Canada.

The reduction in this season's crops is particularly marked in Canada, Argentina and Australia, three of the principal wheat exporting countries of the world. In the fourth, the United States, a small increase is reported by present conditions indicate a falling off of about 150 million bushels in the combined crops of these four countries. Weather conditions have been unfavorable and account in part for the smaller harvests but the acreages sown this year were substantially reduced from the 1930 total. The areas devoted to wheat production had been increasing steadily since 1925 and the decrease of 10 per cent in 1931, as compared with 1930, reduced the acreage in these countries to the level of 1926. Reports show further reductions in the areas sown to winter wheat in both the United States and Canada for the 1932 crops. This would seem to indicate that the post-war expansion in wheat production has been definitely checked.

Canada Experiences Drought

Canada experienced particularly severe drought conditions in its wheat areas during the growing season. Total production is estimated at 298 million bushels, as against 398 million bushels in 1930. The carryover from last year's crops was 140 million bushels, so that the total supplies of wheat in Canada for the current season amount to 438 million bushels. Of this, 120 million bushels will be required for domestic purposes and the carryover may be placed at a minimum of 70 million bushels. This leaves 248 million bushels available for export. Canadian exports of wheat and wheat flour during the past five years have averaged 295 million bushels. Last season, when shipments were small, the total was 258 million bushels. Hard spring wheat from Canada is highly regarded for mixing purposes and the world supplies of this variety are particularly low this year.

The total crop in the United States is officialy estimated at 884 million bushels against 863 million bushels last year and a five year average of 822 million bushels. The outturn of winter wheat, 775 million bushels, was the largest on record and compares with 612 million bushels in 1930 and an average of 547 million bushels. This increase, however, was largely offset by the reduction in the spring crops. The northwestern areas suffered from drought and other unfavorable conditions with the result that the yield of durum wheat was estimated at only 20 million bushels, against 57 million bushels last year and an average crop of 67 million bushels; other spring wheats (of bread varieties) are expected to yield 89 million bushels against 194 million bushels in 1930, and an average outturn of 207 million bushels. These constitute the smallest crops of durum and spring wheat harvested in the United States so far as records are available. The area sown to winter wheat in the United States this autumn for next year's crop is estimated at about 36,000,000 acres. This is the smallest reported since 1923 and is 6,000,000 acres less than the area sown last year. The decrease from the maximum acreage sown in 1928 is over 10,000,000 acres.

Less Winter Wheat

Weather is reported to have been unfavorable in the winter wheat region so that the high yields per acre of the past season will hardly be repeated and next year's crop of winter wheat is expected to be substantially less than the record one harvested in 1931.

The Argentine Government has officially estimated the acreage sown to wheat at 17,295,000 acres, against 21,283,000 acres in 1930 and 19,486,000 acres in 1929. Drought conditions were prevalent early in the season but conditions during the growing season were more favorable. Some damage was recently reported from rust and frost. An average yield per acre would result in a total crop of about 200 million bushels; no official estimate of production has been made as yet but private reports indicate a crop of 200 to 225 million bushels. This is less than the total of 239 million bushels harvested in 1930 or in the previous good years from 1926 to 1928 but is more than the total in 1929.

Australia's Acreage Down

The acreage sown to wheat in Australia is estimated at 13,500,000 acres. This is a considerable reduction from 18,149,000 acres sown in 1930 when the area was considerably increased as a result of government efforts to offset the low returns expected from wool. In 1928 and 1929, more normal years, the area sown was slightly less than 15 million acres. In Australia, as in other countries, wheat production is being curtailed. Production has been estimated by private observers at 170 million bushels. This would rank with the relatively large post-war crops of 1924, 1926 and 1928, but would be 40 million bushels less than the record crop of 1930.

Russian wheat sowings were greater in 1931 than in 1930, although the full acreage planned was not reached. Weather conditions have been variable and prospects are reported as generally satisfactory. Harvesting was delayed by wet weather and some difficulty has been reported in collections by the central authorities. Production in 1930 was estimated at 1,084 million bushels, of which 94 million bushels were exported. This year's crop is expected to be about as large as last year's and exports had amounted to 60 million bushels by the end of November. The prospects for rye are not good and it is thought that more wheat may be required for domestic consumption. Export shipments were brisk early in the season and exceeded shipments during the corresponding period last year. These were later curtailed and during the past few weeks have been much smaller. It was reported that Russia had oversold her position in wheat and had been forced to repurchase considerable quantities. The situation is still obscure but it is not anticipated that export shipments will be resumed at an early date in any considerable volume.

European Crop Damaged

European wheat production, excluding Russia, is estimated at 1,386 million bushels, or about 25 million bushels more than in 1930, but a large quantity is reported to have been rendered unfit for milling purposes and this will have to be replaced by imported grain. The production of rye in Europe was substantially smaller than last year. In Germany the decrease was 25 million bushels and in Poland 60 million bushels. All principal producing countries show a reduction, the total falling off amounting to 140 million bushels. The rye crops in North America are also greatly reduced in size and additional wheat will, no doubt, be required to meet this deficiency.

Broomhall has estimated the wheat imports required during the present season at 248 million bushels for Great Britain, 320 million bushels for Continental Europe and 208 million bushels for other countries—a total of 776 million bushels. The estimated imports for Europe are 60 million bushels less than last year, on the basis of a crop this much greater in size. Since this estimate was made, however, unfavorable weather at harvest time seriously reduced the crop, both in quantity and quality. With smaller crops, a good deal of wet and damaged wheat, with stocks of old grain exhausted and decreased supplies of rye, import requirements will undoubtedly be greater than was anticipated earlier in the season.

Export Surplus Lower

The total surplus of wheat available for export is placed at 968 million bushels. This compares with a surplus of 1,132 million bushels estimated for last year. The surplus this year is 192 million bushels larger than the importers' requirements of 776 million bushels, but when allowance has been made for reduced quantities and grain of poor quality, a closer equilibrium exists between the demand for wheat and the supplies available than has existed for several years. With stocks reduced and acreages curtailed, it is hoped that this equilibrium will be maintained.

Insurance Valuations Will Soon Appear

From Our Own Correspondent

OTTAWA.—Within ten days, the insurance branch of the finance department, will issue amended regulations dealing with the valuation of securities held by insurance companies operating under Federal license.

The insurance companies, in their annual reports to Ottawa, are required to list the securities they hold on a prescribed basis of valuation. The rule to be followed is laid down in the regulations. This year the regulations are to be changed, and the changes are being worked out in co-operation with the companies. The effect will be to minimize the tremendous market declines in prices in the past six months.

Aluminium Ltd. Extend Date of Stock Warrants

From Our Own Correspondent

MONTREAL.—Aluminium Ltd. has decided that the time for exercising the B, C and D stock warrants will be further extended in each case approximately six months. The final date for exercising the B warrants will be July 2, 1932, instead of January 2, 1932; for the C warrants October 1, 1932, instead of April 1, 1932, and for the D warrants January 3, 1933, instead of July 2, 1932.

Holders of these warrants are entitled to purchase additional common stock at the rate of one for each eight shares held as at December 15, 1930, at $30 a share.

Originally there were four classes of share warrants, the A warrant having been exercised. These warrants are traded in on the New York Curb, the first sale having taken place on January 3 last.

N. S. Boosts Dairy Output

Production of creamery butter in Nova Scotia last October showed a gain of 50.8 per cent over the same month a year ago, it is announced by W. J. Bird, provincial dairy superintendent. For October, 1931, the output was 496,736 pounds, as compared with 329,295 during the previous October. Open weather, good organization, and improved prices contributed to the increase, said Mr. Bird.

DOMINION CREDIT FIRM PREPARED TO DO BUSINESS

Organization Completed and Officers Installed

PART OF CAPITAL

Leading Canadian Concerns Subscribe to Sixty Per Cent of Fixed Capital

From Our Own Correspondent

MONTREAL. — Following upon the receipt of 60 per cent of the capital stock, organization of the Dominion Agricultural Credit Co. has been completed and is now in a position to function.

This organization will lend money only on livestock for breeding purposes and there is no arrangement for loaning money for feeding, according to L. C. McOuat, writing in Agricultural and Industrial Progress in Canada, published by the Canadian Pacific Railway.

In all probability committees will be formed in each community where loans are to be made, which will recommend the applicants for loans from this company. The company will loan up to 80 per cent of the value of the livestock and, in certain cases where the applicant has unattached security to offer, he may be able to get 100 per cent. Loans will not exceed $1,000, and the minimum loan will probably be $200. Repayment is spread over three years with interest at 6 per cent.

Of much importance as indicating the aims of this company is the by-law stating that the "corporation is carrying on a development programme and loans must be made only for the purchase of additional and a better grade of livestock and not to finance indebtedness already existing." The company proposes not to take over debts already outstanding but by means of careful selection and personal attention to give farmers an opportunity to improve the position of their farms by adding better livestock.

A Permanent Organization

The Dominion Agricultural Credit Co. is a permanent organization, set up with a view to developing and maintaining additional lines of revenue from Western farms. It is not an attempt to revolutionize Western agriculture, as there is little thought but that wheat will continue as the real money crop of Western Canada, and the provision of credit facilities for the purchase of livestock is not designed to reduce the importance of this particular crop in the realm of agriculture. It is rather to assist farmers to supplement their operations in this line by including sufficient livestock production as a safeguard against the inconveniences of years such as are now being experienced, when they will at least be able to obtain their maximum living requirements and at the same time have a small surplus which can be exchanged for the necessities of life.

This programme of diversification has proved to be sound and has developed largely on the basis of its own intrinsic merit, as indicated by the fact that the four Western provinces have now more than three times as many cattle, more than four times as many sheep, and nearly eight times as many hogs as there were at the beginning of this century.

Assist in Diversification

The formation of this new organization for the extension of credit facilities is inspired by a desire to assist in the development of a more widespread use of those safeguards to farming which have been achieved through livestock production, and if any further evidence than that of Canadian experience and observation is needed, it is available in the record and experience of a similar corporation, which was established in 1924 in the States of Minnesota, North Dakota, South Dakota and Montana.

During the first three years of its operation this corporation loaned money to 3,971 farmers in the abovementioned states for the purchase of livestock, these loans totalling $2,068,469. Of this amount $572,864 was repaid at the end of the period. In a summary of their loans from 1924 to 1930 they show that for sheep the number of farmers applying for loans was 7,052, animals supplied 855,000; for cattle 6,877 applicants, the number of cattle supplied 36,188. The net amount of livestock loans made to 13,960 farmers amounts to $6,780,000, of which $4,474,000 has been repaid.

Officers of Company

Following are the directors who have been elected to take charge of Dominion Agricultural Credit Co.: Hon. J. D. McGregor, James Richardson and Allan S. Bond, of Winnipeg; Thomas Wood, of Elm Creek, Man.; A. E. Whitmore, of Regina; Robert Cruickshank, of Moose Jaw; Robert Shannon, of Saskatoon; Col. J. H. Woods, of Calgary; C. M. Bowman, president of the Mutual Life Assurance Co. of Canada; J. W. Spears, asst. general manager, Bank of Montreal, Winnipeg; and H. O. Powell, formerly general manager of the Weyburn Security Bank. Two additional directors, both from Western Canada, remain to be elected.

Hon. J. D. McGregor is president of the company, while the vice-president and general manager is H. O. Powell. Head office of the company will be in Regina.

List of Subscribers

Following is the list of subscribers to the capital stock of Dominion Agricultural Credit Co.:

Canadian Pacific Railway
Canadian National Railways
Dominion Bank of Canada
Canadian Bank of Commerce
Bank of Montreal
Banque Canadienne Nationale
Royal Bank of Canada
Provincial Bank of Canada
Imperial Bank
Bank of Nova Scotia
Bank of Toronto
Barclays Bank (Canada)
Stovel Co.
Credit Foncier Franco-Canadien
T. Eaton Co.
Imperial Building Supplies, Ltd.

(Continued on page 15)

DIVIDEND NOTICES

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 14

NOTICE is hereby given that a dividend of Fifty cents per Share on Class "A" Shares of no par value has been declared for the period ending December 31st, 1931, to Shareholders as of record at that date and that same will be payable by the Montreal Trust Company at its office in Montreal, on January 15th, 1932.

By Order of the Board.

ERNEST ROGERS,
Secretary

Vancouver, B.C.,
December 11th, 1931.

The Toronto Mortgage Co.

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st January, 1932,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
Walter Gillespie,
Manager.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINICN TEXTILE COMPANY Limited has been declared for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1931.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-Five Cents ($1.25) per share has been declared on the Common Stock of DOMINION TEXTILE COMPANY Limited for the quarter ending December 31st, 1931, payable January 2nd 1932, to shareholders of record December 15th, 1931.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1931.

Canadian Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a dividend of one and one-quarter per cent. on the Ordinary Capital Stock for the quarter ended September 30, 1931, was declared payable December 31, 1931, to Shareholders of record at three p.m. December 1, 1931.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, November 9, 1931.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1931, making a total distribution of twelve per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of January, 1932, to Shareholders of record of 19th December, 1931.

By Order of the Board,
C. A. BOGERT,
General Manager.

Toronto, 26th November, 1931.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" PREFERRED

A quarterly dividend at the rate of 7% per annum on the Class "A" Preferred Stock of this Corporation for the quarter ending December 31st, 1931, has been declared; payable January 2nd, 1932, to Shareholders on record at the close of business on December 18th, 1931.

"B" PREFERRED

A quarterly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the quarter ending December 31st, 1931, has been declared; payable January 2nd, 1932, to Shareholders on record at the close of business on December 18th, 1931.

COMMON AND ORDINARY SHARES

The Board of Directors has declared a quarterly dividend of .25c per share on the Common and Ordinary Stock of this Corporation for the quarter ending December 31st, 1931, payable January 2nd, 1932, to Shareholders on record at the close of business on December 18th, 1931.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 18, to The Canadian Bank of Commerce, London, Ontario, and Branches in Ontario and Quebec, on and after January 2nd, 1932, where payment will be made at par.

BY ORDER OF THE BOARD,
JAMES D. GOOD
Secretary-Treasurer.

London, Ontario, December 9th, 1931.

THE STEEL COMPANY OF CANADA, LIMITED

PREFERENCE DIVIDEND NO. 82

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c) on the new Preference Shares of the Company has been declared for the quarter ending December 31st, 1931, payable February 1st, 1932, to shareholders of record at the close of business January 7th, 1932.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Ontario,
December 9th, 1931.

THE STEEL COMPANY OF CANADA, LIMITED

ORDINARY DIVIDEND NO. 60

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c) on the new Ordinary Shares of the Company has been declared for the quarter ending December 31st, 1931, payable February 1st, 1932, to shareholders of record at the close of business January 7th, 1932.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Ontario,
December 9th, 1931.

DIVIDEND NOTICES

The B. Greening Wire Company Limited

Preference Dividend No. 30

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable January 1, 1932, to shareholders of record December 15, 1931.

F. J. MAW,
Secretary.

Hamilton, Ont., Dec. 14, 1931.

WESTERN GROCERS LIMITED

Notice of Dividend

A dividend of one and three quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited, has been declared for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 20th, 1931.

By order of the Board.
W. P. Riley,
President.

Winnipeg,
December 11th, 1931.

Ottawa Light Heat and Power Company, Limited

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending 31st December, 1931, payable to Shareholders of record 15th December, as follows:—PREFERRED STOCK: 1⅝%, (being at the rate of 6½% per annum), payable 1st January, 1932. COMMON STOCK: 1½%, (being at the rate of 6% per annum), payable 31st December, 1931.

The transfer books will not be closed.

By Order.
F. W. FEE,
Secy.-Treas.

OTTAWA, 10th December, 1931.

Honey Dew Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of $1.75 per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Honey Dew Limited, payable on the 2nd day of January, 1932, to shareholders of record the 15th day of December, 1931.

ERIC C. LINDSAY,
Secretary.

National Steel Car Corporation, Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable January 2nd, 1932, to shareholders of record at the close of business December 17th, 1931.

By order of the Board.
CHAS. W. ADAM,
Secretary.

Hamilton, Ontario,
December 12th, 1931.

TIP TOP TAILORS Limited

Notice is hereby given that a dividend of 1¾% on the 7% cumulative sinking fund redeemable convertible preferred shares of the Company for the quarter ending December 31, 1931, has been declared payable on and after January 2, 1932, to holders of preferred shares of record at the close of business, December 15, 1931. The transfer books will not be closed.

Dated at Toronto, 9th day of December, 1931.

H. P. MACKECHNIE,
Treasurer.

MONTREAL TRAMWAYS COMPANY

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending December 31st, 1931, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Thursday, the 7th day of January, 1932, at 4 o'clock p.m. and payable on Friday, the 15th day of January, 1932.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

December 14th, 1931.

The Consolidated Mining & Smelting Company of Canada Limited

DIVIDEND No. 55

Notice is hereby given that a Dividend of Five Per Cent (5%) on the paid-up Capital Stock of the Company for the six months ending December 31st, 1931, and a stock dividend of one (1) share for every twenty (20) shares of the Capital Stock of the Company outstanding, have this day been declared payable on the 15th day of January, 1932, to Shareholders of record at the close of business on the 23rd day of December, 1931.

By order of the Board.
J. E. RILEY,
Secretary.

Montreal, December 10th, 1931.

EASTERN STEEL PRODUCTS LIMITED

Dividend Notice

The Directors of this Company have declared the regular quarterly dividend of $1.75 per share on the preference shares of the Company, payable January 1st, 1932 to shareholders of record December 15th, 1931, for the quarter ending December 31st, 1931.

By order of the Board,
H. M. MILLAR,
Assistant Secretary.

CANADIAN WIREBOUND BOXES LIMITED

Dividend Notice

The Directors of this Company have declared the regular quarterly dividend of 25 cents per share on the class "A" shares of the Company, payable January 1st, 1932, to shareholders of record December 15th, 1931, for the quarter ending December 31st, 1931.

By order of the Board,
H. M. MILLAR,
Assistant Secretary.

NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 14th day of January, 1532, at 11 o'clock a.m.

M. W. WILSON,
General Manager.

Montreal, December 1, 1931.

DIVIDEND NOTICES

DIVIDEND NUMBER 222

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

A dividend of 1% on the Capital Stock of the Company has been declared payable on the 31st day of December, 1931, on which date cheques will be mailed to shareholders of record at the close of business on the 16th day of December, 1931.

Dated the 9th day of December, 1931.

I. McIVOR,
Assistant-Treasurer.

THE SHAWINIGAN WATER AND POWER COMPANY

NOTICE is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31st, 1931, payable January 11th, 1932, to shareholders of record December 18th, 1931.

By order of the Board.
JAMES WILSON,
Secretary.

Montreal, Dec. 14, 1931.

CHARTERED TRUST AND EXECUTOR COMPANY

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of 1½% has been declared payable on the Second day of January, 1932, to shareholders of record at the close of business December 24th, 1931.

By Order of the Board,
E. W. McNEILL,
Secretary.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1932, to Shareholders of record as at close of business December 15th, 1931.

W. S. BARBER,
Secretary-Treasurer.

CONDUITS COMPANY, LIMITED

NOTICE OF DIVIDEND

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of one and three-quarters per cent on the Seven Per Cent Cumulative Preference shares of this Company has been declared and will be paid on the 1st day of January, 1932 to Shareholders of record at the close of business on the 23rd day of December, 1931.

The transfer books will be closed from December 24th to December 31st, both days inclusive.

DATED at Toronto this 14th day of December, 1931.

G. M. JARVIS.
Secretary.

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 26

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record at the close of business, December 31st, 1931.

By order of the Board.
L. C. HASKELL, Secretary.

Montreal, November 27th, 1931.

The Niagara Wire Weaving Company Limited

Dividend Notice

A dividend of 75 cents per share on the $3 Cumulative Convertible Preference Stock of this Company has been declared for the quarter ending December 31, 1931, payable on the 2nd day of January, 1932, to shareholders of record at the close of business December 22, 1931.

By order of the Board.
E. L. BUELL,
Secretary.

Niagara Falls, Ont.,
December 15, 1931.

The Niagara Wire Weaving Company Limited

Dividend Notice

A dividend of 25 cents per share on the Common Stock of this Company has been declared for the quarter ending December 31, 1931, payable on the 2nd day of January, 1932, to shareholders of record at the close of business December 22, 1931.

By order of the Board.
E. L. BUELL,
Secretary.

Niagara Falls, Ont.,
December 15, 1931.

Canadian Industrial Alcohol Propose Amending By-laws

From Our Own Correspondent

MONTREAL.—Shareholders of Canadian Industrial Alcohol Co. will be asked at the special meeting following the annual general meeting, to approve of the following by-law, already passed by the directors: "The directors may from time to time (a) Borrow money upon the credit of the company; (b) Limit or increase the amount to be borrowed; (c) issue bonds, debentures, debenture stock or other securities of the company and pledge or sell the same for such sums and at such prices as may be deemed expedient; (d) Hypothecate, mortgage, or pledge the real or personal property of the company, or both, to secure any such bonds, debentures, debenture stock or other securities and any money borrowed for the purposes of the company. Nothing in this by-law contained shall limit or restrict the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or endorsed, by or on behalf of the company."

LEFT WING GAINS CONTROL OF BOARD SASKATCH'N POOL

No Chance Now of Lining It Up With Alberta Pool

From Our Own Correspondent

REGINA.—L. C. Brouillette, of Landis, has been elected president of the Saskatchewan Wheat Pool, in succession to the late A. J. McPhail, and J. H. Wesson has succeeded Mr. Brouillette as vice-president. R. J. Moffat, formerly managing director has been retired by the fact of failing to be re-elected to the board of directors. No successor is to be appointed to that position, and it is understood that the president will assume the duties of an actual general manager. Mr. McPhail, in addition to being president of the Saskatchewan Pool was also president of the Central Selling Agency, and much of his time was occupied there. The Central Selling Agency is not functioning with respect to the 1931 crop. While under the managership of J. I. McFarland it is liquidating the balance of the pool's share of the 1930 crop, it is doing so under the control of the banks and of the provincial governments, so its affairs will make but little further demand upon the time of provincial pool officials.

Left Wing in Control

The Saskatchewan Wheat Pool is now under the control of what was formerly described as the "left wing" of the organization. The "right wing" was considered to be represented by the late President McPhail, and Mr. Moffat, formerly managing director. Mr. Brouillette was regarded as the leader of the "left wing," with Mr. Wesson a close second, while M. L. Bristow of Southey, who has succeeded Mr. McPhail on the directorate, was also regarded as important. The distinction between the two wings was formerly that the "right wing" tended to be more conservative and less radical; to have been mainly affiliated with the old Saskatchewan Grain Growers' Association, instead of the more radical Farmers' Union, to accept much less than did the other wing the leadership of Aaron Sapiro; to have opposed or to have been luke-warm on the destruction of the old Saskatchewan Co-operative Elevator Company, and to have held out as long as possible against the idea of compulsory pooling, to which the "left wing" finally committed the whole pool organization.

See Change in Board

The special form of government of the Saskatchewan Pool led to several changes in the directorate this year. Pool members are organized in 16 districts and 160 subdistricts. Each sub-district elects a delegate, and the ten delegates in each district select one of their number to be a delegate. The elections this year resulted in comparatively few changes in the delegate body, although one former director lost his seat on the board through not being elected a delegate. Four other directors lost their seats because their groups of ten chose some one else.

Observers regard the change in complexion of the board and in the leadership of the Pool as likely to have a bearing on the future of the organization and on relations with the provincial government. Little likelihood is seen of any close relations in the future between the Saskatchewan and Alberta Pools, as the Alberta organization has always been more conservative in temperament, with a tendency to dislike "the left wing" policies. Some months ago the three provincial governments arranged that Premier Brownlee of Alberta should act as the representative of each provincial government on the board of its respective pool because of the money to be paid out by each province on its pool guarantees. At that time there was thought to be a possibility that Premier Brownlee might be induced to retire from politics and undertake the task of re-organizing all three provincial pools, and there was some support for this idea in Saskatchewan. It is regarded now as quite impossible, even if Premier Brownlee were willing. In fact no appointment of Mr. Brownlee in that capacity was ever completed in Saskatchewan, and first the Pool directors and later the annual meeting recently held, intimated to the government that no appointment of a government director would be acceptable. The future of the Saskatchewan organization, it is now conceded, will be worked out in this province alone, regardless of what developments take place in the other provinces.

No Additional Security

Besides refusing to have a government representative on its board, the Saskatchewan Pool, at its recent annual meeting, emphasized its "hands off" attitude by rejecting a proposal to give additional security to the provincial government, in addition to such mortgages as the government now holds, by way of a floating charge on pool assets. Instead, it was declared by resolution that the Board must preserve at all costs the liquid position of the Pool and its ability to finance at all times without government restriction.

Another interesting development of the last annual meeting was the determination to enter the export field, if possible by the establishment of overseas offices, similar to those of the Central Selling Agency, which were closed by J. I. McFarland, as soon as he took charge of that organization. It is understood that an officer has already been sent abroad in that connection.

Bruck Silk Mills November Trade Up

From Our Own Correspondent

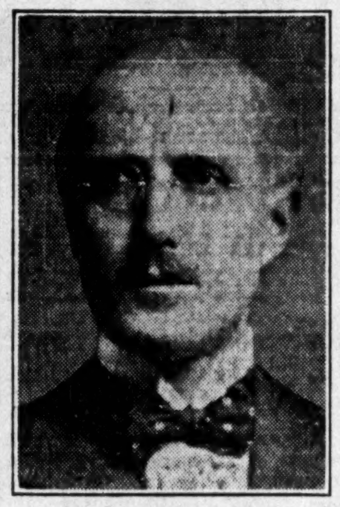
MONTREAL.—November business of the Bruck Silk Mills this year was 50 per cent over that for the corresponding month in 1930, according to a statement made by Isaac Bruck, president of the company, to the shareholders at the annual meeting.

The annual meeting was routine in character and reports and statements were adopted as presented. The board of directors, as it stood at the close of the last fiscal year, was re-elected.

List More Hydro Electric

MONTREAL.—The Montreal Curb Market announces the additional listing of 8,236 shares of the common stock of Hydro Electric Securities Corp.

Elected to Exchange



GEORGE H. ROSS,

Partner in the firm of Thomson and McKinnon, and manager of their Toronto office, who has been elected a member of the Winnipeg Grain Exchange.

J. P. Bickell, also one of the three Canadian partners of this firm, has been a member of the Winnipeg Grain Exchange for some time.

SHARP DECLINE NOTED IN PROFIT OF INTER. PAINTS

Company Writes Off Sum from Goodwill Account

From Our Own Correspondent

MONTREAL.—Net earnings of International Paints (Canada) Ltd. in the fiscal year ended September 30, 1931, were $65,875 compared with $166,373 in the previous year. After provision for depreciation and income tax there remained earnings of $33,101 against $129,447 shown in the preceding period.

In accordance with the by-laws of the company, 10 per cent of earnings after depreciation were set aside for general reserve; this deduction made net profit applicable to dividends of $29,092 or the equivalent of $1.03 a share on the preferred compared with $4.12 a share in the previous year.

Though preferred dividends were suspended in September, 1931, disbursements on this account totalled $47.250 resulting in a deficit of $18,150. This was further increased by a special reserve of $3,404 for depreciation of securities making the total deficit for the year $21,554. Balance forward into the current year was $58,717 against $80,272 shown in the preceding year.

Profit and Loss Compared

Following is a comparison of income accounts for the past two years ended September 30.

	1931	1930
	$	$
Net earnings	$65,875	166,373
Less:		
Depreciation	25,781	25,427
Income Tax	6,983	11,500
Net profit	33,111	129,446
Less:		
General Reserve	4,009	14,094
Preferred divds.	47,250	63,099
Common dvds.	.....	28,000
Special reserve	3,404	.....
Surplus for year	21,553*	24,352
Add prev. surplus	80,271	55,920
Balance forward	58,718	80,271

*Deficit.

Reduction in Goodwill Value

The balance sheet is featured by the writing off of $164,696 from goodwill, which is now shown at $140,000. This item was not reported separately in the previous report. The charge-off from goodwill has been achieved by applying $140,000 which was the value of the common shares attributable to surplus and $24,696 which was the excess of realization from property over book value, to reducing the goodwill account. Fixed assets are valued at $445,046, before depreciation; at the end of the previous year this item and goodwill combined totalled $690,105, a figure which included depreciation.

Net working capital at the end of the year was higher by $35,951 at $405,971. Current assets were $430,816 and current liabilities were $24,945. Assets show cash higher by $41,000 at $70,810. Accounts receivable are lower by $37,000 at $83,204 and investments in government bonds are lower by $5,000 at $97,000. Inventories are valued at $179,802 compared with $184,879 and investments in other companies are slightly higher at $28,101.

Accounts Payable Lower

In liabilities accounts payable total $16,175 compared with $33,246 and income tax reserve is lower by $4,000 at $8,769. General reserve stands at $36,317 and depreciation reserve is shown for the first time at $94,246.

Capital structure includes 28,000 shares of preferred stock of par value $30 while the "A" and "B" shares, formerly carried out at $140,000 representing the total amount attributable to surplus, have had this sum applied to reducing the value of goodwill account.

Remarks to Shareholders

In his remarks to shareholders Frank M. Ross, vice-president of the company said in part:

"The depression in the manufacturing and transportation industries is reflected in the decrease in the company's earnings. In order to maintain a strong liquid position your directors deemed it advisable to discontinue temporarily payment of dividends. Provision has been made for economies in operation and further diversification of the company's business and your directors are confident that with the resumption of normal conditions profits will again be on a satisfactory basis."

Canada Bud Earnings Higher Than in 1930

In declaring the regular quarterly dividend of 25 cents a share, payable January 15 to shareholders of record, Canada Bud Breweries also informed shareholders that gross sales for the ten months ending October 31, 1931, had a gain of $373,840 over the same period of 1930. Profits for this period were $323,628 before depreciation or income tax as compared with $196,488 for the first ten months of 1930.

E. J. Kay, secretary, informs shareholders that there will be little tie-up of capital as a result of the purchase of City Club Breweries for $156,165. The property of the latter was appraised at replacement value of $420,397 and depreciated cash or sound value of $360,286.

TEXTILE INDUSTRY GETS PROTECTION BY VALUATION

Cottons, Artificial Silk and Combinations of Two, Benefit

From Our Own Correspondent

OTTAWA. — Three main divisions of the textile industry are to receive additional tariff protection by way of fixed values for duty. They are: cottons, artificial silks, and combinations of the two.

Ever since the depreciation of the pound sterling, the protection extended by the tariff to these manufacturers has been curtailed. The intention of the government is to use the special powers conferred in 1930, special session, to restore protection to the level fixed by Parliament. Due to the rapid depreciation of the pound sterling and continental currencies, foreign manufacturers have been able to invade the Canadian market, and undersell Canadian producers. This condition will be rectified.

The minimum values fixed for duty purposes by the Minister of National Revenue under date of December 3, are as follows:

	Per lb.
Tweeds, suitings, pantings, and similar fabrics, wholly of cotton, weighing 6 oz. or more per square yard	$ .25
Flannelettes, robe cloths, blanketing, blanket cloths, and similar napped fabrics, wholly of cotton, weighing 6 oz. or more per square yard	.40
Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing less than 6 oz. per square yard	.44
Woven fabrics, composed wholly of artificial silk, when dutiable under Tariff Item 561	1.25

The foregoing values in Canadian currency represent the values f.o.b. mill for regular duty on importations from all foreign countries, whether their currency is appreciated or depreciated.

For special duty purposes the selling price in any foreign currency is to be converted to Canadian dollars at the exchange rate on date of shipment and the amount of special duty payable will be the difference between the values shown above and the selling price so converted.

The provisions of Section 6 of the Customs Tariff Act to apply, and importations of such fabrics shipped on consignment without sale prior to shipment, so as to evade the payment of special duty, will be subject to the same special duty as if the goods had been sold prior to shipment.

The foregoing values not to apply to importations bona fide purchased on or before December 12, 1931, and imported and entered at customs on or before January 12, 1932.

Crop Values Drop 30 p. c. During 1931

Value of field crops in Canada declined over 30 per cent in 1930, according to preliminary estimates released by the Dominion Bureau of Statistics this week. The 1931 figure is placed at $431,251,000, as compared with $631,593,000 in 1930 and $948,081,000 in 1929.

The values per unit assigned to each crop represent average prices received by farmers at the point of production for the 1931 crop up to the end of November, and they have been determined after consultation with the provincial departments of agriculture. The estimates of the bureau are based on monthly farm price schedules, distributed to farmers throughout Canada.

Value of Field Crops, 1930-31

	1930	1931
Wheat	$174,792,000	$108,786,000
Oats	102,919,000	76,461,000
Barley	27,254,000	16,015,000
Rye	4,401,000	1,443,000
Peas	3,487,000	1,798,000
Beans	3,261,400	889,000
Buckwheat	7,124,000	3,430,000
Mixed grains	18,435,000	12,081,000
Flaxseed	4,194,000	2,248,000
Corn for husking	5,054,000	2,335,000
Potatoes	39,858,000	28,408,000
Turnips, etc.	18,180,000	10,643,000
Hay and clover	161,122,000	113,961,000
Alfalfa	19,877,000	19,015,000
Fodder corn	17,142,000	13,678,000
Grain hay	21,254,000	22,130,000
Sugar beets	3,238,000	2,930,000
Total field crops	$631,592,900	$431,251,000

Value by Provinces

	1931	1930
	$	$
Ontario	138,547,000	179,919,000
Alberta	92,588,000	95,828,400
Quebec	71,614,000	120,366,000
Saskatchewan	62,545,000	120,215,000
Manitoba	24,132,000	52,463,000
B. Columbia	13,758,000	16,628,000
N. Brunswick	10,787,000	18,554,000
Nova Scotia	10,338,000	16,646,500
P. E. I.	6,947,000	10,973,000
	$431,251,000	$631,592,900

Obituary

Charles Ernest Neill, L.L.D., vice-president and managing director of the Royal Bank of Canada, died Dec. 16, age 58.

C. E. NEILL

Born at Fredericton, N.B., on May 27, 1873, he entered the service of the bank on May 9, 1889. The bank was then known as the Merchants Bank of Halifax and Mr. Neill got a job as junior clerk at head office. In the early '90's he was sent along with some other young men to open the Vancouver branch of the bank and was appointed accountant. In 1900 he was made manager of the branch at the early age of 27. Within sixteen years he was general manager of the institution which in the meantime had changed its name to the Royal Bank of Canada, having occupied in the interim the following positions: supervisor of B. C. branches; chief inspector, Montreal, and assistant general manager. In January, 1927, he was appointed vice-president and managing director.

One of the most outstanding Canadian bankers of his time, Mr. Neill was president of the Canadian Bankers' Association in 1926 and 1927 and a director of Montreal Trust Co.; Sun Life Assurance Co.; Northern Assurance Co.; Dominion Bridge Co. He was a governor of McGill University.

Montreal Stock Exchange Continues Minimum Prices

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange will continue its policy of maintaining pegged prices on stocks listed with the local exchange. There has been discussion during the past week or two on the advisability or inadvisability of maintaining the pegged prices. Following a general meeting of the members over the week-end, the Exchange made the following official announcement:

"At a meeting of members and partners at which all houses were represented, the past policy of the exchange in maintaining minimum prices was approved, and it was decided that it is in the general and particularly the public's interest to continue this policy. Where it is deemed advisable to modify restrictions regarding any particular issue such question will be dealt with on its merits as the occasion arises."

It is understood that before making this pronouncement the matter was thoroughly discussed with individuals and institutions making loans to members of the exchange and that it was the opinion that the pegged prices should remain in force.

Branch offices of New York Stock Exchange houses, not members of the local exchange, have in general agreed to give their co-operation in maintaining trading on the minimum basis. Members of the Investment Bankers' Association of Canada have also agreed to act in unison with the Montreal Exchange. By means of this closer co-operation, it is anticipated that the marketing of securities will be given more stability and that it will not be necessary to sacrifice securities as in the past few weeks.

It is the intention to form a committee of interested parties who will examine each security and, if deemed advisable, will lift the restrictions governing trading on a minimum price basis.

LYALL CREDITORS MUST STILL WAIT FOR DISTRIBUTION

Liquidator Gives Reasons for Delay in Payments

From Our Own Correspondent

MONTREAL.—It is still impossible to make a distribution to the creditors of P. Lyall and Son, Construction Co., in liquidation, according to a statement issued by G. S. Currie, liquidator of the estates. Since two years have elapsed since the date of the winding-up order against the company, he has prepared a brief report on the work done and the reasons for the delay in paying dividends to creditors.

On his appointment, the liquidator points out, he was faced with the alternative of having to complete various contracts or run the risk of probable forfeiture of large money deposits by the company under these contracts, and drawbacks held by the principals. These together represented largely the equity of the company available for creditors. A survey was made of the various contracts, with the exception of one in Colombia, and it was decided to carry on the work to completion.

Contracts are Reviewed

The various contracts are reviewed. Work on the Colombia Railroad contract had practically come to a standstill prior to the date of liquidation. Cancellation of this contract was obtained, and the Lyall Co., was finally released from liability under a $300,000 bond.

Substantial bonuses were earned by early completion of the Back River power development. Under the terms of the contract, however, the power company was entitled to a guarantee from the contractor against defective materials, installation, etc., for a period of five years. As the company was in liquidation, it was impossible to obtain a bond from a guarantee company, so the power company retained a sum of $200,000 of the amount finally due under the contract. This money has been placed in escrow, bearing interest, to be released at the end of the guarantee period less any claims properly made thereon.

Other Works Completed

The Confederate Building, Ottawa, has been completed, and final settlement effected. The Toronto Terminals Railway contract has also been finished and negotiations have been underway with a view to obtaining final settlements. This, however, has been delayed and complicated by the possible existence of certain alleged lien claims, though it is hoped that settlement will be effected in the near future.

On the Welland Ship Canal, sections 3 and 4, the liquidator states that the work will not be completed until some time next summer at the earliest. Certain rock excavations had to be done during the season of closed navigation and owing to unprecedented weather experienced in 1929-1930, adverse working conditions resulted in excessive costs.

Government Claims Pressed

Claims against the Federal Government have been pressed, but Mr. Currie says that owing to adverse financial conditions which arose shortly after the liquidation it has not been possible to obtain any definite assurance from the Government as to what the estate may expect to receive.

Stating that some difficulties have arisen regarding a final adjustment on the steel gates contract on the Welland Canal, the liquidator concludes;

"Most of the company's property in Winnipeg has been disposed of at a price very much below the value at which it was carried on the books of the company, but somewhat in excess of appraisal figures which were obtained from independent realty firms in that city.

"Sale of the plant and equipment belonging to the company has been made to the best possible advantage as opportunities have occurred, but owing to adverse conditions existing since the liquidation, realization has not been large.

"Until it is possible to dispose of the real estate situated in Montreal and effect a settlement with the Government of the claims against it and final settlement in connection with Toronto Terminals, steel gates and Welland ship canal contracts, it is not practicable to make a distribution to the creditors."

Christmas Sales Improve for Hardware Trade

Sales volume in Christmas hardware gifts is improving steadily. Prior to this week, the demand for these was limited, but in various lines, a much better sale is now under way. Electrical appliances are among the most active commodities, and electric clocks, in the medium-priced styles, are said to be selling exceptionally well, states Hardware and Metal, Toronto.

Joins H. R. Bain & Co.

ROBERT S. NEWLING

Of London, Eng., who has become associated with the investment banking house of H. R. Bain & Company. He will take charge of their European business with headquarters in London.

ANGLIN-NORCROSS DISTRIBUTION SOON

Will Disburse $650,000 in Cash on January Second

From Our Own Correspondent

MONTREAL.—Holders of the preferred stock will receive par and accrued dividend on their holdings, while the holders of common stock will receive $50 in cash, 10 fully-paid shares of 5 per cent non-cumulative redeemable preferred stock and 1 fully paid common share of no par value of Anglin-Norcross Corp., as a result of the winding up of the company of the same name.

All of the assets of the company, consisting of $650,000 in cash and 65,600 fully paid preferred shares and 6,560 fully paid up common shares will be deposited with the Crown Trust Co. and distributed to the shareholders on January 2, 1932.

Details of this proposed distribution of Anglin-Norcross assets appeared in The Financial Post a short time ago. At a meeting of the directors held on December 7, 1931, the directors passed the by-law and the Quebec Government, which issued the letters patent, has been asked to approve the arrangement.

Dominion Coal Units Show Seasonal Advance

From Our Own Correspondent

MONTREAL.—Output of the three Springhill collieries of the Dominion Coal Co., controlled by the Dominion Steel and Coal Corp. totalled 37,446 tons during November, an increase over that of October of approximately 3,000 tons, but lower than the corresponding month last year by 14,739 tons.

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Your Investments

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ENGLISH ELECTRIC INCREASES CASH, POSITION GOOD

Dividend Still Maintained on Common But Uncertain For 1932

I should appreciate your advice in connection with English Electric Co. At the present time Class "A" shares are quoted at 28½ and paying dividends at the rate of $3 per annum. Is there anything, in your opinion, to indicate that the company cannot continue to pay this dividend? I also understand that they control the sale of Westinghouse products in Canada. Does this include radios?

English Electric Co. of Canada is understood to have maintained a strong financial position to the end of October and to be at the present moment as well financed as at any time in its career. The company is still paying dividends on the class "A" stock at the rate of $3 per share per annum as it did through 1929, 1930 and 1931 to date.

As to whether or not dividend action at this rate will continue throughout 1932, it is impossible to say. When such large and strong electrical companies, as Westinghouse in the United States see fit to defer dividends, it is evident that in this industry as in many others, the conserving of financial strength is thought to be of prior importance, and the payment of dividends to come second. It is obviously of the first importance for shareholders as well that the company should maintain its position on as advantageous a basis as possible.

It is understood that this company has managed to get during the year a number of interesting contracts and to develop business of a new character. It is not so much the fact that current earnings may be down as the uncertainty of the present business situation which makes it impossible for any observer to state what action with regard to dividends the directors of most companies will take. For the first six months of 1931, it is understood that the company's earnings were above dividend requirements. But in the last six months it is a difficult thing to gauge the volume of business as the situation has been changing back and forth from month to month.

At the end of 1930 the company had current assets of $1,193,559 of which cash and call loans made up $734,041. The total is believed to be a little lower now with cash and call loans stronger than before. Current liabilities at the end of 1930 were $128,591 and there has been a considerable reduction in this item. Net working capital is but little lower than $1,064,968 shown at the end of 1930.

Westinghouse has its own subsidiary in Canada and this subsidiary controls the sale of all its products here. English Electric Co. of Canada, Ltd., holds the exclusive manufacturing rights for Canada of the English Electric Co. of Great Britain which had some arrangement with Westinghouse, but Canada was excluded.

We cannot give you definite information as to the company's dividend intentions as they will not be known until January 15, when directors next meet, but believe, as already stated, that the company will give first place to the conserving of current assets.

Power Corp.

Please be good enough to let me have your views on the current position of Power Corp. of Canada common stock.

Power Corporation of Canada's statement for the past year showed earnings on a lower basis, while details regarding investments were not as complete as might be desired. As you know, the ramifications of the company extend over a large area which make it vulnerable in times of depression like this. With a return to normal industrial conditions and an upward move in stock market values, the position of Power Corp. would undergo considerable improvement.

Wayagamack

Owing to my absence I did not learn of the request for the deposit of my Wayagamack bonds. Can you tell me what I should do now?

Arrangements can be made for the deposit of your Wayagamack bonds with the secretary of the Shareholders' Protective Committee for Canada Power and Paper. You should write to the Hon. Gordon Scott, c/o P. S. Ross and Sons, Royal Bank Bldg., Montreal, P.Q. He will make the necessary arrangements to facilitate the deposit of your securities and, in time, arrange for the delivery to you of certificates in the new company—Consolidated Paper Corp.

A List of Four

I have been considering the investment of $500 in Honey Dew, Canada Dredge, Page-Hersey and Tip Top Tailors. Do you consider these a good choice? Would you advise against investing in any of them?

Sales for the first five months of 1931 by Honey Dew were reported to be below the figure for the same period of 1930. However, profits were within some $10,000 of the same period in 1930. The preferred dividend has in the last two years been earned by a comfortable margin after reserve for income tax and depreciation. The business is apparently an active one, but is subject to seasonal influences, so far as volume of Honey Dew sales is concerned.

Working capital at $46,046 is apparently not very strong and the company does a very large business on a comparatively small capita investment.

Canadian Dredge and Dock Co. has to date through the depression maintained a comparatively favorable position. Its business is subject to fluctuations according to the demand from governments for dredging. So far in the last five or six years there has been considerable work of this character. It is difficult to estimate beforehand what work will be available during the next few years. This company is one of the leaders in its line, and can be expected to do very well when work of this character is in abundance. That has been the situation in recent years and new projects would be of great helpt to it.

Page-Hersey has shown an increasingly favorable position from the financial standpoint during the last five or six years. It has eliminated its bond and preferred issues senior to the common stock and has even in this time of adversity been able to make reasonable profit. It has progressive management operating on conservative lines. It is understood to have covered dividends in 1931.

Tip Top Tailors has had a successful merchandising experience in its line. It has had its problems to meet during the time of adverse business, and it is a good company to watch during the next few years to see how well it does in the period of low prices for clothing.

Consolidated Oil

As a subscriber to Financial Post, I am enclosing herewith a prospectus which explains itself, and would be pleased if you would advise me if you think it is a safe investment. Also please let me know the standing of the firms, Forbes & Co., and Capital Trust Corporation.

The Capital Trust Corporation is a Canadian trust company whose financial statements and income accounts from year to year have shown progress. However, the name of the Capital Trust Corporation in such a case as this simply indicates that it will do the duties entrusted to it as a trust company. It will have nothing to do further than that with conduct of the companies for whom it acts.

It is impossible for us to give an analyzed opinion with regard to the assets of such a company as Consolidated Oil Royalties, Inc., which is being offered by Forbes and Co. Ltd., Castle Building, Montreal, Que. But obviously the returns on royalties at present, when proration is being enforced so rigorously, are not very attractive. For example when wells are only allowed to run to 2 per cent of potential, one-eighth of this amount would go to the owner of the royalty interest. Experience in the past has shown that companies of this sort often pay dividends for some years at quite a high rate. In view of the fact that oil wells are in so many cases of short life, however, any large amount paid in dividends must be considered in part as return of capital. Marketability of the stocks of most of these companies has been very low. One has to find his own market in many cases.

We are unable to give you a report on Forbes & Co.

Western Grain Bonds

Would you consider the future prospects of the Western Grain Company Limited sufficiently good to warrant now the purchase of their 6 per cent bonds due 1949? It has been suggested that the commencement of the shipment of grain through Fort Churchill would be especially detrimental to them owing to the strategic location of elevators there.

Outstanding total of Western Grain Co. 6 per cent, first mortgage sinking fund gold bonds, series "A," due 1949, is $2,938,000. Before depreciation interest on these bonds was earned 1.91 times in 1931, only about one-half the amount necessary in 1930, and nearly eight times in 1929. Despite the improvement in the year ending July 31, 1931, the company found it advisable, due to the poor crop prospects for 1931, to pass the preferred dividend due July 2, 1931, in order to conserve the company's cash.

It was reported at the annual meeting that, in view of the expectation of smaller crops, further drastic economies had been effected, but that the company's terminal and country elevator facilities are in good repair and the company in a position to continue to render good service to its customers. Working capital on July 31, 1931, amounted to $430,492. Current assets of $1,515,085 included an amount of $1,200,863 for grain, which compares with $2,092,658 a year earlier. The balance sheet in 1931 was a consolidated balance sheet of Western Grain Co. and its wholly-owned subsidiary, Mutual Grain Co. In previous years only the balance sheet of Western Grain Co. had been shown. However, in all likelihood not so much a small volume of grain on hand as a lower value on July 31 for all grain in stock.

Among the current liabilities there was an item of $679,000 for bank loans and overdrafts which was not shown a year earlier. Accounts payable advanced from $117,799 to $357,174. Charges against stored grain and advances, which stood at $1,615,501 in the previous year, were eliminated this year. The mortgage bonds, by exercise of the sinking fund, dropped from $3,000,000 to $2,938,000 and the bond redemption reserve of $12,400 was established.

Judging by the company's statements, the next period in which it will be possible to judge of the company's earning prospects will be in 1933 and that will be based on the crop of 1932. However, the company's position is fairly strong, it has had good management in the past, and A. C. Reid has been appointed general manager to take the place of D. C. McLachlan, who has left to become general manager of Maple Leaf Milling Co.

The fact that shipments of grain have gone by Fort Churchill for shipment by sea is of little importance so far in the company's position. It will probably take years to establish any movement of importance through Fort Churchill, partly because of high insurance rates and partly because familiarity with the route and therefore use of it by the trade will only be built up by confidence resulting from actual experience over years.

Massey-Harris

Is Massey-Harris going into liquidation? I presumed that, with all the retrenchment that they appeared to be putting into effect, they would even under present conditions be showing some improvement by the time their next statement came out. I hold some of their stock bought at 38 and was thinking of adding to it to even up. Have you any facts on the present situation?

Real improvement in the situation of Massey-Harris must await an improvement in the purchasing power of farm communities not only in the Dominion, but throughout the world. There has been a great deal of retrenchment and economizing by the company, and it is believed that about as much has been accomplished in that direction as is possible at the present time. The full benefit of economies made will not be felt until 1932. Rising prices of wheat recently are encouraging inasmuch as durable improvement would help the company both in collection of accounts and liquidation of inventories.

Montreal Telegraph

In my investment portfolio are some shares of Montreal Telegraph Co. Are these shares well regarded, for I do not wish to retain a speculative security?

Shares of Montreal Telegraph Co. are in the investment class. The company receives annually from the Great Northwestern Telegraph Co. the sum of $165,000, from which dividends are paid at the rate of eight per cent; less income tax, on the company's capital of $2,000,000. Further, this dividend is guaranteed by the Western Union Telegraph Co. The system of Montreal Telegraph Co., comprising about 22,000 miles of wire, is operated and maintained by the Great Northwestern Telegraph Co. of Canada, which has been part of the present Canadian National Telegraph System since 1921.

Cuban Canadian

Would you be good enough to give me any information possible about the present status and future possibilities of the sugar industry with any special information you may have with respect to the Cuban Canadian Sugar Company?

Because in Europe, Cuba and sugar producing countries generally throughout the world there is more determined effort at reducing acreage according to the demands of the Chadbourne plan, there has been considerable improvement in the position of sugar recently. Present stocks are still large, but it appears that the next crop will not add to world surplus and this may give the sugar industry a better opportunity.

With reference to Cuban Canadian Sugar Co., this company was incorporated in Cuba in 1919. It owns 66,000 acres out of which over 12,000 acres are planted with sugar cane. It raises 25 per cent of the supply of cane and purchases the rest. It has a mill at Cuba but it has not paid dividends on either the preferred or common stock since January 15, 1921. The disorganization in the sugar industry has affected it during this whole period. Its working capital is weak, less than $60,000, current assets and current liabilities being high and funded debt reaching $2,800,000. There were reported deficits in 1925, 1926 and 1927. The position is not believed to have improved since 1927 in view of the difficulties which have confronted all sugar-producing companies.

Grand Trunk Pacific

I have considered a Grand Trunk Pacific, Lake Superior Division, 4 per cent bond. Is this guaranteed by the Government? What is the outlook for this bond?

Grand Trunk Pacific four per cent bonds, Lake Superior Division, are not guaranteed by either the Federal or Provincial Governments. As you know, railways in both Canada and the United States are having a difficult time; the situation in Canada is aggravated by the wide duplication of trackage and keen competition between the two roads. Earnings of the Canadian National Railways, of which the Grand Trunk Pacific is a constituent, have shown a heavy decline this year, and prospects for an immediate improvement are not yet apparent. The Royal Commission, appointed to investigate the situation surrounding the Canadian railroads, has already started its work; possibly it might be well to defer any commitments until the findings of this body have been made public.

Gypsum, Lime

Would you please give me some information on the progress which Gypsum Lime and Alabastine is making this year? Has business been maintained and do you think that the immediate future is encouraging?

The effect of lessened constructional activity has been reflected in dividend disbursements on the common stock of Gypsum, Lime and Alabastine, Canada. Both domestic and export demand have fallen off in the past year, and until building conditions show improvement, it is not likely that earnings will record appreciable betterment. In the meantime, the company maintains a satisfactory liquid position and owes no money to the banks; but it may be a year or two before profits fully reflect the expansion carried out in the past few years.

Fraser Co.

I would appreciate any information you may have on the position of Fraser Companies, especially in relation to the three-year notes which fall due next year.

At the moment it is difficult to forecast what will happen to the Fraser three-year notes when they fall due next July. As you are probably aware, the company has other contractual obligations to meet on that date, including the liquidation of advances made by private interests. At the same time the company has heavy bank loans to be taken care of.

Judging by the balance sheet position of the company, it would appear that a scaling down of capitalization will be undertaken. Just how this will be effected and when is a matter on which we have no official information.

As you are probably aware, attention is being given to the affairs of Fraser Companies by a group representing the banks and certain investment bankers interested in the welfare of the company. Every effort is being made to place the organization on a sound footing and to that end steps have been and are being taken to reduce the heavy inventories, which were a feature of the financial statement of last year, and otherwise to improve the liquid position of the company.

Canadian Vickers

I hold some preferred shares of Canadian Vickers Ltd., which I bought at par. Have these shares any value today and what progress is the company making? Can you tell me what earnings were last year?

Considerable reorganization of the operating structure of Canadian Vickers Ltd. has been undertaken in the past few years, which has improved the company's position. Despite adverse conditions in the fiscal year ended Feb. 28, 1931, net earnings showed an increase of over 100 per cent at $637,070, and after all charges, profits were equal to $9.35 a share on the preferred stock. During the current year, our understanding is that the company's activities have been somewhat restricted though earnings are sufficient to cover bond interest requirements; definite figures on earnings are not available. The preferred stock is nominally quoted at 20 on the Montreal Curb Market, but trading is rare.

Imperial Tobacco

I have been advised to purchase some shares of Imperial Tobacco Co. of Canada. I understand this is a sound stock but would like your opinion regarding future prospects.

Imperial Tobacco Co. of Canada has a sound investment record, a factor which is reflected in the relative stability of the shares marketwise during the past two years. The company is the largest manufacturer of tobacco products in Canada and earnings in the past have grown with the increasing consumption of tobacco. Though there has been a falling off in sales of cigarettes and cigars this year, it would seem that the use of tobacco will inevitably increase with the growth in population, a factor which should benefit the company in the future.

Gatineau Power

I am interested in the 6 per cent debentures of Gatineau Power Corp. Would you oblige me by indicating the trend of earnings this year, which, I understand, have been satisfactory. Why has this company been able to maintain its profits in the face business conditions?

Gatineau Power Corp. has recorded higher earnings during the current year and has covered its bond interest requirements by a satisfactory margin.

The six per cent debentures, which rank after the $70,942,000 of first mortgage bonds, naturally do not occupy as strong a position as the senior issue. Latest figures available, however, show earnings have been sufficient to cover debenture interest; Gatineau Power, in the quarter ended June 30, 1931, earned all its fixed charges 1.29 times after depreciation. In the past few months an additional 16,000 h.p. of primary power has been delivered to the Ontario Hydro bringing the total delivery to the Commission up to 304,000 h.p. This contract has doubtless been a substantial factor in enabling Gatineau Power to maintain its earnings in face of restricted industrial activity.

B. C. Power Corp.

Is British Columbia Power Corp. holding its own this year? I have been told that the company's outlook is encouraging; I hold some of the "A" shares.

Earnings of B. C. Power Corp. have shown some decline during its current fiscal year and net revenue for the first quarter ended September 30, 1931, was 16 per cent below that of the same period in 1930. The reduction is a reflection of restricted industrial activity; properties of the company, on the other hand, have been extended considerably in the past few years. New hydro-electric plants have been completed and others are under construction; consequently, B. C. Power Corp. will be in a satisfactory position to take care of increased demand for energy when conditions improve.

Canadian Industries

As a subscriber to The Financial Post I would be obliged if you would outline some details of Canadian Industries Ltd. since the "A" shares have been recommended to me as a purchase. Please give me details of the capital structure and the high point touched by the stock. Further, is the company controlled in Canada?

As the largest chemical and explosives company operating in Canada, Canadian Industries Limited has made consistent progress and carried out wide expansion in the past few years. Through its various divisions, the company has extended the scope of its activities while widely diversified production is a factor which tends to stabilize earnings. Profits in 1930 were equal to $5.04 a share on the common, on which a regular dividend of $2.50 is paid. In addition, bonuses totalling $2.50 a share were distributed in 1930, though during the current year to date the bonuses have totalled but $1 a share.

The A and B shares rank equally in all respects except for the fact that the class B stock is non-voting. There are outstanding 615,974 shares of A and 49,721 shares of B stock, both of no par value. Senior to these, there is $4,650,000 of preferred stock issued. None of the shares are listed, so it is not possible to give you the high point touched by the stock since all transactions are made in an unlisted market. Control of Canadian Industries does not lie in Canada; it is in the hands of Imperial Chemical Industries Limited of Great Britain and E. I. Du Pont de Nemours Co. Inc. of the United States.

Charles Gurd

Do you know whether Charles Gurd and Co. is earning its dividend this year? What are indications for the company's progress in the future?

Our information is that dividends paid by Charles Gurd and Co. this year have been fully earned and indications are that the total disbursement of $2 a share will be covered for the whole year. Competition in the soft drink industry is keen at present, and there has been a tendency of larger companies to cut prices. How this will affect Charles Gurd remains to be seen; since the present company's inception four years ago, satisfactory progress has been made.

Montreal Power

Please let me have your opinion on Montreal Light, Heat and Power Cons.? I have been considering buying some of this stock at the current levels.

Montreal Light, Heat and Power Consolidated supplies power, electricity, gas and coke to the largest metropolitan area in Canada. Its record over the past has been one of steady growth. Returns to the shareholders have, on the average, been generous. The stock has ready marketability and taken over a term of years has shown substantial appreciation in value. In respect to the current position of the company, a recent statement issued by the company covering the first nine months operations shows that the common dividend was earned by a healthy margin.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Atlantic Keystone

We desire a report on Atlantic Keystone Petroleum Inc., of New York, who also operate as Atlantic Keystone Petroleum Ltd., at Vancouver.

Atlantic Keystone Petroleum Co. Inc., formerly operated under a Delaware charter, holding petroleum leases in the Spindletop field, Wyoming. Atlantic Keystone Petroleum Co. Ltd. was incorporated in Canada on March 21, 1930. In April, 1931, the merger was announced of the Teapot Dome Oil Co. with the Atlantic Keystone Petroleum Co. Later it was announced that the Canadian company, Atlantic Keystone Petroleum Co., Ltd., had been amalgamated with the Atlantic Keystone Petroleum Co., the American company, the Atlantic Oil Royalty Corp.; Gulf Royalty & Producing Co.; Standard Royalty Synd.; Texas Oil & Investment Co. and Cameron Petroleums Ltd. Certificates of these companies are exchangeable for those in the Atlantic Keystone Petroleum Co., Ltd. Under the consolidation, the company owns approximately 130,000 acres of producing and non-producing oil leases and royalty interests, as well as a 31-mile pipe line from the Spindletop field in Wyoming to Casper, Wyoming. The company, however, has no producing property in Canada. The outstanding capitalization on August 31, 1930, consisted of 1,327,114 no par value shares, which were listed on the Calgary and the Vancouver Stock Exchanges.

We have had no word recently regarding the financial position of the company. The merger of all these companies and the resulting large holdings of oil leases represent principally non-producing property, which is yet to be developed. The company has not sufficient money to carry out an extensive programme.

CURRENT INFORMATION CARD
Montreal Light, Heat & Power Consolidated

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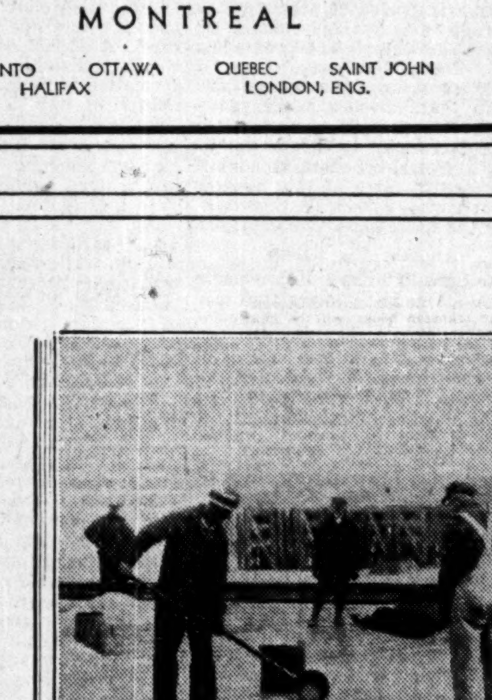

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In a year when economy has been the prime consideration this Dominion-wide acceptance of Murray Roofs is a striking commentary on the excellence of their past performance.

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BUR-11

Current Events in Banking World

Group Insurance Held By Bank Employees Placed at $40,000,000

The Financial Post Makes Survey of Chartered Bank Practice

PLANS VARY

Since Introduction in 1926 Total Insurance in Force Has Doubled and Redoubled

In the last half-dozen years the volume of group insurance covering the health and lives of Canadian bank employees has grown by leaps and bounds until today the total of bank group insurance in force in the Dominion probably exceeds $40,000,000, according to a survey made by The Financial Post.

The rapidity of the growth of the movement is evidenced by the fact that the first group insurance contract entered into by a Canadian bank was effected in 1926.

As nearly as can be determined from available data the average life coverage per bank employee in Canada is about $2,000, this being based on an estimated number of eligible bank employees of around 20,000. In view of the various scales, the different methods of classification, and varying periods of increase involved by the several types of plan, an average figure requires supplementing, however, by some examination of group insurance plans in general.

Usually Straight Life

The most usual type of coverage under a bank group policy is straight life with permanent disability clause. Beyond this, plans diverge considerably according to the varying conditions and objectives of individual institutions, for group insurance is far from being a ready-made product, although insurance companies now have more or less standardized plans to offer. Nevertheless, apart from the different objectives of the various schemes, group insurance may be said to be still in the development stage, there having been a far shorter term of "experience" behind it than in the older and commoner types of individual insurance in existence today.

So, in many cases, bank group schemes are cut-to-measure to fit the specific requirements and conditions of each organization. They take into consideration the proportion of cost the bank is prepared to bear, the whole set-up concerning eligibility, both as to age and length of service, the fixation of the low and high points of the scale of coverage at each age and so forth. Conditions of service and the elements deemed to be in the best interests and likely to meet the approval of the staff as a whole must be considered, as well as the relation that the insurance will bear to the pension fund structure, so that the one may suitably supplement the other.

Thus, Canadian Bank of Commerce prefers to fix the insurance cover in direct relation to the earnings of the individual, while to another bank this basis will not appeal at all. The reason given by one bank against this basis is that, in the case of their institution at least, older and more highly paid officials would have earned a more or less proportionately higher degree of protection from the pension fund than others who, for the very reason of short service and small income, were not in a position to secure adequate protection for their families against the possibilities of sudden death or disablement.

The Eligibility Question

Again, most schemes exclude all officers below the age of 21 on the principle that the turnover of staff below that age is relatively high and that group insurance will offer little appeal to a person not contemplating an extended banking career. Furthermore, employees below this age usually have light responsibilities, and such can be adequately taken care of by the insurance provisions of the pension fund.

The age difficulty is circumvented in th eplans of those banks having an eligibility provision which admits only employees having had two or three years service with the bank into the group insurance scheme.

A Standard Plan

One simple set-up which has attained rather general adoption and might be regarded as a "standard" group plan is as follows: Ages are divided into three, or possibly four, groups, starting at 21. The groups will be divided, for example, into ages 21 to 25, 26 to 30, and 31 and over. The amount of coverage is not selective, being fixed at $1,000 for the first group, $2,000 for the second, and $3,000 (the maximum) for the third. Employees' annual contributions are at the rate of $6 per $1,000 in the first and second groups and $7.20 per $1,000 in the third. These are probably payable semi-annually in advance. The balance of premium cost not met by the employees' contributions is borne by the bank.

The above plan includes straight life and total disability if occurring before the age of 60 has been attained. No medical examination is required upon joining.

In regard to premiums or contributions of more detailed plans these naturally vary according to the coverage scales. Proportions borne by the bank and employee also vary. The Banque Canadien Nationale's group insurance plan takes the form of a society, which pays all premiums, members making partial reimbursements, according to a set scale, worked out with regard to length of service and salary.

A Specific Plan

An outline of this bank's plan is as follows: The amount of insurance coverage increases each year, the minimum being $1,000 and the maximum $10,000. The plan only admits employees having three years' service, these automatically becoming members.

Membership is divided into four salary groups, A, B, C and D, representing salaries of less than $1,000, from $1,000 to $2,000, $2,000-$3,000, and $3,000 and over, respectively. The amount of coverage in group A starts at $1,000, rising with each additional year's service. Group B is similarly graduated, starting with coverage of $1,500 and running up to $5,000 for service of 20 years and over. Group C coverage starts at $2,500 increasing annually to $7,500 for 25 years' service, while group D commences with coverage of $3,500 increasing to $10,000 for 30 years and over. The total amount of insurance in force of this bank is approximately $4,000,000, this working out to about $3,000 per employee.

Another Big Group

The Canadian Bank of Commerce admits all members of the staff who have reached the age of 21 years. There is a fixed initial premium rate for each year, as in other forms of insurance, known as "group standard rates." These rates multiplied by the number of members of the group at each age from 21 upward and by the amount of insurance cover required in each case, sum up the total premium.

The staff contribution rates run from $6 to $7.20 per $1,000, fixed by the insurance company in consultation with the employers, having regard to the relative cost of other forms of insurance, and the difference between the total premium and the sum of the contributions is assumed by the bank, varying according to the average age of contributors. Since it is impossible to fix the group standard rates so as to apply justly to all groups in all years a corrective is applied, known as "merit rating," consisting of deduction or addition of a flat amount from or to each group standard rate at the renewal date, according to the mortality and other experience of the group in the preceding year.

The total insurance in force under the group scheme of this institution amounts to well over $17,000,000, this being carried by three of the largest companies in Canada, the Canada Life, the Sun Life and the Manufacturers' Life.

Conversion Privilege

Bank group schemes commonly permit conversion into an equivalent amount of coverage in any regular life or endowment plan, at standard rates, without medical examination, in the event of resignation of the insured employee. Perhaps no other scheme for the benefit of bank employees has met with the degree of unqualified approval that has been accorded to group insurance, and time and again it has proved its value, since quite a high proportion of the death claims on bank group policies have been in connection with comparatively young lives, and widows and orphans with in adequate claims on the pension funds have found that the income from the group insurance is of very real value.

Bank of Montreal Circulates New Notes

From Our Own Correspondent

MONTREAL. — A new issue of Bank of Montreal notes in denominations of $5, $10, $20, $50 and $100 is now being placed in circulation. The issue is the first since Sir Charles Gordon, G.B.E., became president and therefore the first upon which his portrait and signature appear.

In addition to the president's portrait, the notes carry the portraits of the general managers, the $5 and $100 denominations having the portrait of W. A. Bog and the $10, $20 and $50 denominations that of Jackson Dodds. Except as regards the portraits, there is little departure from the familiar design of the notes already in circulation.

MONTREAL CITY BANK MAINTAINS BONUS PAYMENT

New Uptown Branch Opens Doors for Business

From Our Own Correspondent

MONTREAL.—Montreal City and District Savings Bank has maintained its usual dividend and bonus payments in 1931. With the regular quarterly dividend of $3 payable January 2, 1932, there will be paid a bonus of $1, making a total disbursement of $14 a share for the year. A bonus of $1 a share was distributed in July.

Payments on the capital stock in 1931 therefore amounted to $280,000, the same as last year. Earnings in 1930 were equal to $18.15 a share compared with $18.47 a share in 1930. The bank has $2,000,000 of fully paid shares issued.

Opens New Branch

The new branch office on St. Catherine Street has been completed and has now been occupied. This unit is a substantial structure in the heart of the uptown shopping district of Montreal. Provision has been made to extend its present two stories to eight stories in the future should such expansion become necessary. Two other new branches have been erected and another has undergone considerable alterations in the past two years.

Last year the bank's charter was amended to allow it to open branches elsewhere in the district of Montreal other than in the city itself as was formerly allowed by the original charter.

What Editors Say of Banks

Farmers and Central Bank

Calgary Herald. — Manitoba farmers in convention in Brandon last week were in a very dissatisfied mood. They declared in favor of a radical change in the banking system, in the basis of land holding and in the tariff policy of the country. They are annoyed with the railways. They want nationalization of natural resources, state medicine and other socialistic concessions. They turned up their noses at the federal five cent bonus on wheat because it is not high enough. Even the educational system of the Dominion did not escape their censure. Apparently the trying experiences of the past two years—not confined to agriculture, by the way—has created much ill-humor.

It has to be admitted that dissatisfaction with the prevailing economic and monetary systems prevails among men of other professions too, although not in such an acute form. Many industrial and financial leaders agree that some measure of reform is needed in the financial structure to broaden the system of credit. Professor Curtis of Queen's University urges the complete overhauling of the Canada Finance Act and the erection of some form of national credit control. He believes that neither the banks nor the federal government are functioning in that capacity. The power has been taken away from the banks and not taken over by the government, he asserts.

The farmers of the three prairie provinces are not as badly treated as the United Farmers of Manitoba pretend. In two of the three provinces there are farmer governments which are obviously prejudiced in favor of the agricultural industry. They make no pretence of being other than class administrations. Moreover, the federal government has lately shown special friendliness in coming to the support of the wheat pools in a price guarantee for wheat and in the wheat bonus for this year's crop.

Many prairie farmers are laboring under the impression that the total elimination of big business would produce utopian conditions. Since the break-down of the co-operative system in the face of world depression, they are in a mood to destroy other tried institutions. They would go farther and make co-operation compulsory and universal. They are thrown back for inspiration on the Russian experiment without waiting to see the ultimate result of that system or the final reaction of the victims exposed to its tyranny and slavery.

Canada's Banking System

London Free Press. — The very fact that Canada has come through the depression with less hardship and in better shape than the United States must be attributed, partially at least, to our banking system. If Canada had had hundreds of small banks in the drought area of Saskatchewan they would have all been forced to suspend. The farmers of Saskatchewan may kick that the banks in the West are not generous enough with their loans, but imagine the situation if the banks had all failed and deposits lost as has happened in many sections of the republic.

Canadian banks have remained true to British traditions of banking, and like the British banks have weathered successfully the economic storms. Canada has reason to be proud of its banks and their record during the past two years.

FINANCE STATUTE BLAMED FOR ILLS

Prof. Curtis Sees Central Bank on the Way

"Canada's chief monetary troubles today are due to the Finance Act of 1923, which has resulted in our being off the gold standard since 1928," was one of the statements made by C. A. Curtis, professor of economics and of political science at Queen's University in an address recently delivered in Toronto.

Prof. Curtis expressed the view that the only remedy for the weakened monetary situation in Canada is to overhaul the monetary structure and suggested that we are today witnessing a transition from the decentralized system of credit to that of credit control by a central institution, a central bank.

Regarding the recent depreciation of our dollar in New York which recently was as much as 15 per cent, Prof. Curtis declared that there was nothing in the balance of trade which would indicate such a fall. On the contrary, our trade with the United States is more evenly balanced than a year ago. One of the chief reasons, he said, has been the expatriation or repatriation of American funds held in Canada. Because of the Finance Act the responsibility for credit control had fallen between two stools, the government and the banks, and there was no control.

Penny Bank Reports Record Deposit Week

The biggest week in the history of the Penny Bank of Toronto was registered during November, according to the report just issued by J. R. Littleproud, inspector. Deposits handled numbered 35,913.

Insurance for Buyer and Seller

DECISION UPON DISABILITY CLAUSE EXPECTED SOON

Radical Changes in the Canadian Plan Foreseen

MUST CUT LOSSES

Special Committee of Life Officers' Deliberations Approach Final Stage

Immediate and radical changes in the disability benefit coverage issued by Canadian life insurance companies appear now to be almost a certainty, The Financial Post learns from a reliable source.

The question of either the discontinuance or drastic revision of the disability clause has been receiving the close attention of a special committee of the Life Officers' Association during recent weeks, and while little or no information is forthcoming as to the nature of any definite proposals, The Post understands that the deliberations of the committee are rapidly reaching the final stage and that an announcement may be expected shortly.

An increase in the rates for disability coverage is more than a possibility, while a curtailment of the provisions governing benefits are believed to be inevitable. Waiver of premium payments upon total or permanent disablement is not likely to be dropped, however.

Benefits "Just Even"

The waiver-premium feature was the first step made by companies in the sphere of disability benefits and the experience of companies has been reasonably satisfactory in regard to it. As time went on, however, competition or progress resulted in more and more liberal benefits being introduced while the requirements for proof of disability became less onerous on the insured. The limit was reached when some United States companies adopted the "three months clause" with dating-back of benefits. This clause provided that in the event of the insured being totally disabled for a period of three months, 1 per cent of the sum insured monthly was paid and premiums were waived, the benefits being retroactive to the date of the commencement of disability.

Such business has proved to be a losing proposition, and while Canadian companies have been fairly fortunate in regard to claims, United States companies generally have suffered very heavy losses with the result that many, including the Metropolitan, the Mutual Life of New York, the Union Central, the Travelers of Hartford, the New England Mutual, and the Aetna Life have announced that they will write no more business including the disability income feature, effective from various dates.

Canada's Losses Moderate

The situation in Canada was to some extent alleviated by the increase of rates at the end of June, 1930, and while many insurance executives are in favor of retaining the disability clause even if further revision in rates is necessary, others hold the opinion that the sooner the disability benefit is done away with the better. These hold that doubtful claims are difficult to deal with, and controversies arising therefrom are held to react upon the business of life insurance generally, while in the event of the benefit being refused by a company on any application the sale may be lost.

Arising out of the different sets of conditions applying to the United States, Canadian companies may decide, in the event of a general retention of restricted disability income benefits by Canadian companies, to close down on the feature entirely in connection with foreign business, and it is believed that at least one large company is contemplating this move.

Several Canadian companies have tightened up in their scrutiny of applications for disability benefits, excluding unhealthful or hazardous occupations and exercising greater care and discrimination with regard to personal and family history and physical condition, pending the conclusions of the Life Officers' committee.

As at December 30, 1930, there were 1,008,830 policies in force which had disability benefits in some form or other attached. The net amount assured under these policies totalled $2,224,463,642, which was divided, according to the type of disability coverage, as follows: Waiver of premiums only, $204,969,259; waiver of premiums and sum assured payable by installments, balance at death or maturity, $222,774,500; waiver of premiums and sum assured payable by installments during a certain term, $479,043,732; and waiver of premiums and disability annuity without reduction in sum assured, $1,317,676,151.

Annual payments for disability—without reduction in the sum assured—being paid by Canadian companies as at December 30, 1930, amounted to $1,038,131. Of this, $232,844 was on account of group policies, and of the remainder $547,442 applied to Canadian business, and $257,845 to business written outside Canada.

Licenses Issued

Department of Insurance, Ottawa, has granted the following licenses:

American Constitution Fire Insurance Co.—To transact fire, sprinkler leakage, tornado, and explosion insurance, also hail insurance (other than on growing crops). H. Begg, Toronto, is the company's chief Canadian agent.

l'Urbaine Fire Insurance Co. (Paris, France).—To transact fire, sprinkler leakage, tornado and explosion insurance, also hail insurance (other than to growing crops). G. W. Hadrill, Montreal, is the company's chief agent in Canada.

The Wawanesa Mutual Insurance Co.—To transact insurance against liability for loss or damage from accident to persons or property, in addition to classes for which already licensed.

Insurance Problems

Credit Insurance

Some time ago in your insurance number you referred to some companies who wrote credit insurance. Will you let me know the names of any companies writing this class of business, that is insuring accounts?

The companies in Canada specializing in credit insurance are American Credit Indemnity Company of New York of which O. B. Thibaudeau is chief agent with head office for Canada at Toronto, and the National Surety Company of which C. H. Allen, Montreal, is chief agent for Canada.

Both these companies are licensed to transact this type of business under the federal insurance department at Ottawa.

Fire Loss Ratio, 1930, 58 p.c. of Premiums

Net fire insurance losses in the Dominion during 1930 were equivalent to 58.1 per cent of the net premiums written, amounting to $32,007,033, according to a classification of fire insurance experience issued by the Dominion Department of Insurance.

This compares with net losses of $31,561,851 in 1929, the ratio to premiums for that year having been 53.9; while the ratio for the five years 1926-1930 inclusive was 49.75, average annual net losses incurred amounting to $27,783,035 and the average of premiums written being $55,842,778 a year. These figures include business of Canadian, British and foreign companies.

National Life Insurance Day To Be Held Jan. 21, 1932

National Life Insurance Day will be observed on January 21, 1932, throughout Canada and the United States in connection with National Thrift Week.

The Canadian committee is composed of George H. Hunt, Imperial Life; H. W. Manning, Great-West Life; A. G. Ramsay, Canada Life, and William Wallace, Confederation Life, and the movement has the sponsorship of the Life Agency Officers' Association, the Canadian Life Officers' Association and the National Association of Life Underwriters.

Regina Life Underwriters Elect Association Officers

C. G. Hogarth, of the Great West Life Assurance Company, was elected president of the Regina Life Underwriters' Association at the recent annual election of officers.

K. P. Dunstan, of the Imperial Life, was returned to the office of secretary-treasurer for the seventeenth consecutive term.

Weekly Bank Clearings

	Dec. 11, 1930	Dec. 10, 1931
Eastern Cities		
Halifax	$ 3,431,640	$ 2,878,378
Saint John	2,186,158	2,008,312
Moncton	863,751	759,216
Sherbrooke	805,884	626,495
Quebec	6,600,067	4,688,287
Montreal	112,940,975	123,670,357
Ottawa	6,691,146	6,319,547
Kingston	721,351	740,683
Peterboro	931,429	674,123
Toronto	101,425,294	82,910,440
Hamilton	5,164,046	4,295,630
Kitchener	1,283,722	941,934
Brantford	1,155,518	912,164
London	2,932,045	2,656,429
Chatham	737,243	557,040
Windsor	3,066,301	2,667,012
Sarnia	612,588	469,386
Sudbury	939,494	580,459
Western Cities	Dec. 11, 1930	Dec. 10, 1931
Fort William	$ 982,040	$ 728,702
Winnipeg	39,684,634	44,659,811
Brandon	478,480	425,307
Regina	4,618,131	4,210,490
Moose Jaw	928,432	674,736
Saskatoon	2,547,885	1,861,719
Prince Albert	409,662	417,718
Edmonton	5,838,390	5,885,540
Calgary	8,942,391	6,175,154
Medicine Hat	298,054	292,429
Lethbridge	552,406	409,605

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Chartered Trust and Executor Company does not sell life insurance. It is, however, interested in the future welfare of your wife and others daily dependent upon you. Stop and think—would your family suffer if they should be bereft now of your support and maintenance?

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Secretary: E. W. McNEILL

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HEAD OFFICE-MONTREAL

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Insurance in Force
December, 1925 $81,677,030
December, 1930 $146,538,137

Assets
December, 1925 $12,375,516
December, 1930 $25,237,678

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NORTH AMERICAN LIFE

Canadian Pulp and Paper Industry

DRYDEN PAPER FAIL TO COVER DEPRECIATION

Nearly All of Profits go to Paying Bond Interest

From Our Own Correspondent

MONTREAL.—Depreciated earning power is reported by the Dryden Paper Co. for the year ended September 30, 1931. During the twelve months, income from all sources totalled $95,311. This compared with $193,967.

The income statement shows that the company did not set up any reserve for depreciation and depletion (amounting to $100,000 in the previous year), the total income being sufficient to cover bond interest requirements by a margin of $5,311.

Details of Income

Particulars of the income statement for the past two years follow:

	1931	1930
	$	$
Operating income	77,940	177,054
Misc. income	10,198	12,206
Interest rec'd.	7,172	4,707
Total	95,311	193,967
Less: depreciation	.....	100,000
Interest	90,000	90,000
Surplus	5,311‡	3,967‡
Brt. forward	162,439	158,482
Carried forward	167,750	162,439

‡Before income tax.

Maintain Working Capital

The balance sheet shows that the financial position of the company was satisfactorily maintained during the past year. On September 30 assets amounted to $8,135,275, of which current assets totalled $830,895 and current liabilities $54,678, leaving a net working capital of $776,217. This compared with $850,137 on September 30, 1930.

Analysis of the returns shows that the principal change among current assets was the cutting down of pulpwood inventory values from $380,611 to $267,014. Finished product on hand was valued at $149,032, an increase of about $8,000 during the year.

Amounts receivable, less reserve for bad debts, shows a shrinkage of approximately $7,000 to $103,128.

Add to Investments

Government and other securities held by the company at the end of the year had a cost value of $145,383 and a market value of $117,250. At the end of the preceding year investments were shown at $53,276 and market value at $53,488.

Cash on hand has declined from $36,832 to $20,211. A call loan of $13,089 shown in 1930 statement had disappeared, but in its place is a call loan of $17,000 among current liabilities.

Buy Own Bonds

During the year the company, anticipating sinking fund requirements on its first mortgage bonds, purchased bonds of a par value of $57,000 at $41,001. This is sufficient to take care of sinking fund charges for more than the next three years.

About $35,000 was spent on plant during the year, bringing the value of fixed assets up to $4,987,052. Timber limits are shown at the same figure, namely, $2,248,587, while miscellaneous equipment shows a slight depreciation in value at $18,661.

There are no outstanding changes among liabilities, except those noted in current liabilities. Bonds outstanding, together with capital, remain unchanged. Surplus has been increased $5,311 to $167,750.

Swift Canadian Extends Plant

The Swift Canadian Company, Ltd., contemplates extensions to the plant and equipment at New Westminster involving an expenditure of $60,000, of which approximately $30,000 will be for new equipment.

Canada Widening Newspring Market

From Our Own Correspondent

MONTREAL. — Broadening of market for Canadian newsprint is seen in the report on exports of newsprint compiled by the Canadian Pulp and Paper Association. The large and regular markets for this important paper product have weakened during the year and aggregate shipments for the ten months are off nearly 300,000 tons as compared with the same period of 1930. The principal decline is in exports to the United States as will be seen in the following comparative table:

	Ten Months 1931	1930
	Tons	
United Kingdom	89,977	116,986
Cuba	5,021	8,220
Jamaica	845	909
Argentina	38,890	56,933
Other Latin countries	9,777	4,309
So. Africa	12,127	13,436
Australia	25,672	40,018
New Zealand	12,642	18,093
All other	19,444	5,478
Overseas total	214,395	264,382
U. S. A.	1,460,856	1,667,985
Grand Total	1,675,251	1,932,367

OUTPUT OF PULP ON LOWER SCALE DURING OCTOBER

Both United States and Canadian Mills Slacker

From Our Own Correspondent

Montreal. — Continued production of groundwood and sulphite pulp by Canadian and American mills is reported by the American Paper and Pulp Assoc., and the Canadian Pulp and Paper Assoc., to the News Print Service Bureau.

During October last Canadian mills produced 110,318 tons of groundwood, bringing production to date up to 1,144,703 tons. For October last year output was 143,026 tons and cumulative production 1,354,842 tons.

United States mills turned out 68,112 tons last October, compared with 63,799 tons for the same month of 1930. For the first ten months of 1931 production amounted to 718,509 tons as against 842,790 tons in the corresponding period of 1930.

Stocks of groundwood pulp on hand at the end of October totalled 75,263 tons, of which the United States had 49,616 tons and Canada 25,647 tons. On the same date of the previous year the United States had 51,533 and Canada 8,280 tons, for a total of 59,813 tons.

Sulphite production in Canada in October, 1931, amounted to 34,134 tons, down from 43,668 tons a year ago. Cumulative output for the first ten months this year was 338,466 tons, a decline of around 165,000 tons for the same period in 1930.

United States' mills had a sulphite pulp output in October of 26,500 tons as against 33,220 tons in October, 1930. For the ten months period of 1931 production amounted to 274,924 tons, compared to 334,001 for the same period in the preceding year.

Supply Butter to Japan

Canada still ranks third as a supplier of butter to Japan, the Dominion sending 140,226 pounds valued at $52,000 in 1930, according to P. V. McLane, Assistant Canadian Trade Commissioner at Kobe.

PRICE BROS. PASS COMMON DIVIDEND, LAST TO SUCCUMB

Lower Earnings and Need Conserve Cash Cause for Action

From Our Own Correspondent

MONTREAL.—Price Bros. and Co. have followed the lead of the other newsprint companies and has passed the dividend on its common stock, breaking the continuity of uninterrupted payments for 15 years. It was only in September last that the directors voted on cutting the common dividend from $2 to $1 a share and the present action in omitting the dividend altogether puts the company in the same classification as the other other newsprint companies and have been unable to make any disbursement on their junior securities.

The passing of Price Bros. common dividend means more than was the case of other companies. Instead of heavy prior capital charges, Price Bros. have outstanding only $11,513,600 of first mortgage bonds and $6,597,600 of 6½ per cent cumulative preferred stock. The capital is largely represented in common stock, of which there is $42,683,200 outstanding.

The passing of common dividends, and in many instances preferred dividends, by other newsprint manufacturers, gave basis to the expectation that Price Bros. would also follow suit. The company's revenue is gained from three major sources, newsprint, lumbering and investments. The first has been particularly hard hit over the last two years. The dropping off in demand has been the means of considerably curtailing operations. On top of that lower prices have also prevailed.

Exchange is Factor

With the premium on New York funds in Canadian dollars, it was thought that the fiscal position of Price Bros. would be improved, but any betterment from that situation has been partially offset by the decline in the currency of other countries with which Price Bros. carry on an export business. It is understood that the company exports about one-half of its output to England. The drop in the pound sterling, therefore, has not quite offset the drop in the Canadian dollar in New York, so that the net result of export business has been favorable to the company.

Lumbering operations have also been hit over the last year or two. While Price Bros. limits and operations are conducive to low cost manufacture, the market for lumber has not been good, with the result that revenue from lumbering has been on a scale below the average of recent years.

Price Bros. have heavy investments in various enterprises, notably Duke-Price Power Co., Aluminium Ltd., Donnacona Paper Co., Quebec Pulp and Paper Corp., etc., which have not been overly fruitful of late.

Earn Dividend in 1930

During the year ended February 28, 1931, Price Bros. was able to show earnings of $2.18 on the common stock. This compared with dividends of $2 a share. The cutting of the dividends in half and then passing it altogether, would indicate that earning power has been sharply curtailed and that the management deem it advisable at this time to conserve cash resources. The annual report, moreover, is expected to show a number of developments over and above depreciated earnings, reflecting, in a large measure, the thoroughly unsatisfactory current position of the newsprint industry.

United States Newsprint Demands Register Decline

From Our Own Correspondent

MONTREAL. — Total imports of newsprint into the United States for the ten months ended October last amounted to 1,722,591 tons. This compares with 1,889,555 tons in the corresponding period of 1930, according to returns published by the News Print Service Bureau and based on reports of the United States Department of Commerce.

Both European and Newfoundland imports are larger than a year ago, but Canada's exports to the United States show a falling off nearly 200,000 tons, as will be seen in the following table:

	Ten Months 1931	1930
	Tons	
Finland	41,569	35,287
Germany	18,093	10,576
Norway	10,856	7,482
Sweden	55,795	58,080
Other countries	35	......
Overseas total	126,348	111,425
Newfoundland	130,787	125,566
Canada	1,465,456	1,652,564
Grand total	1,722,591	1,889,555

American Paper Output on Lower Average Scale

From Our Own Correspondent

MONTREAL.—Data compiled by the American Paper and Pulp Association on the United States paper industry show that the daily average of total paper production in October decreased 5 per cent from September, and 9 per cent from October, 1930.

The daily average woodpulp production in October was 3 per cent below September 1931 and 10 per cent below October 1930.

Compared with October a year ago, the decrease in newsprint paper was 1.5 per cent. The largest decrease was 21.1, in building papers.

The ten months' cumulative total of production of paper was 9.5 per cent below the corresponding period in 1930, while shipments were 8.7 per cent smaller than a year ago.

The ten months' cumulative total of wood pulp production for this year was reported as 15.6 per cent below the level of the same period in 1930.

Total shipments of wood pulp to the outside market were 29.7 per cent below the level of the ten months' total of 1930.

Build New Gypsum Plant

It is announced that a large modern plant for the manufacture of gypsum mined in Nova Scotia is to be erected near Windsor by the Canadian Gypsum Company, which operates plants in New Brunswick, Ontario and Manitoba.

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Drop of 250,000 Tons In Newsprint Output For 1931 is Forecast

Newfoundland Expected to Set Up New Record

U. S. MILLS SLACKER

Returns for November Show Marked Falling Off in Shipments—Stocks Up

From Our Own Correspondent

MONTREAL.—Total production of newsprint in Canada for 1931 of 2,250,000 tons or less, is indicated in returns of the News Print Service Bureau for the first eleven months of the current year.

During that time output totalled 2,033,121 tons, so that in order to attain the two and a quarter million ton-mark for the year, it will be necessary to manufacture approximately 217,000 this month. On the basis of current operations and judging the trend of recent months, it does not appear likely that the industry will come up to that mark.

Trend Is Lower

For all of last year newsprint mills in Canada turned out 2,499,631 tons. This was the second highest yearly figure ever reported and compared with the all-time record of 2,728,827 tons produced in 1929. On the assumption that production will not exceed 2,250,000 tons, output this year will rank ahead of 1927, but below that for 1928.

The changed condition in the newsprint industry is better illustrated by an examination of the yearly production figures over the past five years. In 1930 North American mills turned out 4,082,678 tons, of which Canada contributed 2,499,631 tons; United States, 1,281,502 tons; Newfoundland, 287,259 tons and Mexico, 14,286 tons. During 1929 production amounted to 4,395,283 tons—a high record for all times. Output in the four preceding years was as follows: 1928, 4,046,400 tons; 1927, 3,789,433 tons; 1926, 3,765,838 tons and 1925, 3,161,804 tons.

North American Estimate

It is now estimated that the total North American newsprint production for 1931 will aggregate about 3,700,000 tons. Final confirmation of this figure would mean a decline in production for the year of 382,000 tons compared to 1930; 695,283 tons as against 1929; and 346,000 tons compared to 1928.

Further expectations are that for the current year Newfoundland mills will set a new high record for production; the output of the Mexican mill will better that of 1930; United States production will be the lowest reported for the past decade; while Canada will show a decline of or more than 250,000 tons.

Canadian Mills Slack

November returns of the News Print Service Bureau indicate an output for the month of 175,643 tons; the actual production per operating day being 9,773 tons, for an operating ratio of 56.8 per cent. This compared with November, 1930, returns of an output of 210,703 tons, for 10,176 tons per operating day, with an operating ratio of 67.6 per cent. This follows the usual trend, in that returns show a lower production compared to October, 1931, when 184,252 tons were produced.

A notable feature of the November returns is the sharp drop in shipments and gain in mill stocks. Exports totalled 173,601 tons, compared to 191,725 tons in the preceding month and with 213,673 tons in November, 1930. Mill stocks, which were 42,963 tons in October, advanced to 48,735 tons in November—a point above the average for that month.

Cumulative Totals Down

During the first eleven months of the current year Canadian mills produced 2,033,121 tons, for an operating ratio of 58 per cent. This is the lowest reported since 1927 and compares with 2,319,368 tons for corresponding period of 1930, when mills had an operating ratio of 70.3 per cent.

Shipments for the January-November period this year aggregated 2,023,039 tons, as against 2,305,810 tons in the same period of 1930 and 2,486,492 tons in 1929.

American Output Higher

Turning to the United States, the News Print Service Bureau reports a November, 1931 production of 94,149 tons, or 4,214 tons per operating day for an operating ratio of 65.6 per cent. In the same month last year output equalled 92,337 tons for an operating ratio of 68 per cent.

Shipments from American mills during the past month aggregated 93,723 tons, as against 98,616 tons in the preceding month and with 93,631 tons in November last year.

Production Is Off

For the first ten months of 1931 United States' newsprint production amounted to 1,064,711 tons, or the equivalent to 4,276 tons per operating day, for an operating ratio of 65.8 per cent. In the same period in 1930 production totalled 1,182,929 tons, or 4,496 tons a day, making a ratio of 76.7 per cent.

There is a close relationship between production and shipments, the latter totalling 1,064,138 tons for the first eleven months. This compared with 1,168,836 tons and 1,286,929 tons for the corresponding periods of 1930 and 1929.

Increase in Stocks

Highlight of the November report of the News Print Service Bureau is the increase in mill stocks. Canadian and American mills reported 81,133 tons on hand at the end of the month. This is nearly 9,000 tons more than on the same day last year and is the highest ever reported for any November 30.

The largest amount of mill stocks on hand ever reported by the Canada-U. S. newsprint industry was at the end of August, 1928, when 92,995 tons were in stock.

Newfoundland Expands

It is now apparent that the Newfoundland newsprint mills will set up a record production for 1931. Returns for the first eleven months aggregated 270,469 tons. This is a gain of nearly 7,000 tons over the record for the same period set in 1930 and is only 17,000 tons under the production for 1930.

Output last month totalled 23,897 tons, representing an operating ratio of 98.5 per cent. Expectations are that the Island mills will turn out nearly 25,000 tons this month, so that the total for the full year will be close onto 300,000 tons.

Mexico's lone newsprint mill has kept production at a fairly satisfactory level throughout the year, production in November of 826 tons, bringing the total to date up to 13,971. This compares with 12,917 tons and the all-time record of 17,403 tons in the corresponding periods of 1930 and 1929, respectively.

Lumberman Curls

ALBERT MacLAREN,
President of the James MacLaren Co., of Buckingham, P.Q., who is vice-president of the Seignory Curling Club, Lucerne-in-Quebec. Mr. MacLaren is interested in a number of Ottawa Valley industrial enterprises, including MacLaren-Quebec Power Co., MacLaren Power and Paper Co., etc.

LIQUID POSITION OF DODGE MFG. IS MAINTAINED

Plant Activity Undertaken at Relatively Low Level

From Our Own Correspondent

MONTREAL. — Operations of Dodge Manufacturing Co., have been on a restricted basis during the current year and earnings for the period ended January 31, 1932, will likely reflect this situation. The company, however, has held its liquid position and it is expected that the working capital of $359,299 shown at the end of last year will be maintained.

Dodge Manufacturing is engaged in the production of power transmission machinery and conveying equipment such as is used in industrial plants, mines, flour mills and terminal elevators. Most of this business, it is pointed out, is dependent on additions to or construction of plants and capital expenditures on this account are being kept at a minimum at the present time.

Does Replacement Work

The company, however, is doing a fair amount of replacement work while it recently executed a substantial order for a Montreal distillery. One of the company's large jobs in recent years was manufacturing equipment for the Kingston Elevator Co., completed in 1930.

Net earings of Dodge Manufacturing in the year ended January 31, 1931, were $67,889 compared with $105,333 reported in the previous thirteen month period. After provision for depreciation and income tax net profit was $31,413 or the equivalent of $1.75 a share on the cumulative class "A" stock.

Dividends paid on the "A" share at the rate of $2 amounted to $36,000 so there was a deficit of $4,587 for the year. Disbursements were suspended after February 1931. In the previous year earnings had been equal to $3.57 a share on the "A" shares and $1.17 a share on the "B".

Settle Lakehead Crown Lands

Two hundred and forty-four homesteads, a total of 34,020 acres of crown land, were settled in the district tributary to the Head of the Lakes during the fiscal year ending October 31st, according to an announcement of the Crown Lands Agent at Port Arthur.

Municipal Bond News
FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds" It is, therefore, the logical medium for municipal bond sale advertising.
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LENIENCY SHOWN BY MORTGAGEES TO T. R. STOKES

Sale By Auction Only After 5 Years of Repeated Default

The announcement by Hon. W H. Price, attorney-general, of Ontario, that a modified moratorium on farm mortgages might be provided for at the next Legislature was evidently precipitated by the tragedy at Stamford where Thomas R. Stokes, a well-known farmer in his district, killed himself and shot at others as a protest against his place being put up for auction to satisfy a mortgage debt of $4,200.15 due the London Life Insurance Co. and a second mortgage held by the Imperial Bank for $2,000 to protect a loan.

The publicity given by the newspapers at the time to the tragedy gave the erroneous idea to many readers that the insurance company and the bank had been harsh in pushing their claims. The actual facts, however, show that they had shown great forbearance.

The London Life loan was made in May, 1925, for $4,000, interest payable at 7 per cent half-yearly and maturing in April 10, 1930. A principal payment of $75 was supposed to be made as well, twice a year.

Default Began in 1926

Serious default began in October, 1926, settlement not being effected until February, 1927.

Continuous default in payment occurred thereafter. Interest due April 10, 1927, was paid November 15, 1927. As the mortgagor did not pay taxes for 1927 and 1928 the mortagee had to advance the taxes on August 13, 1929, and had to take legal action later to recover the taxes.

The mortgagor also neglected to pay taxes in 1929 and 1930, and again the mortgagee had to pay them on December 10, 1930, payment again being recovered by legal action on January 29, 1931.

Other debts were accumulating and at the time of the sale the mortgagor had failed to meet interest of $134 on the mortgage due on April 10, 1931 and of $130 due on October 10, 1931.

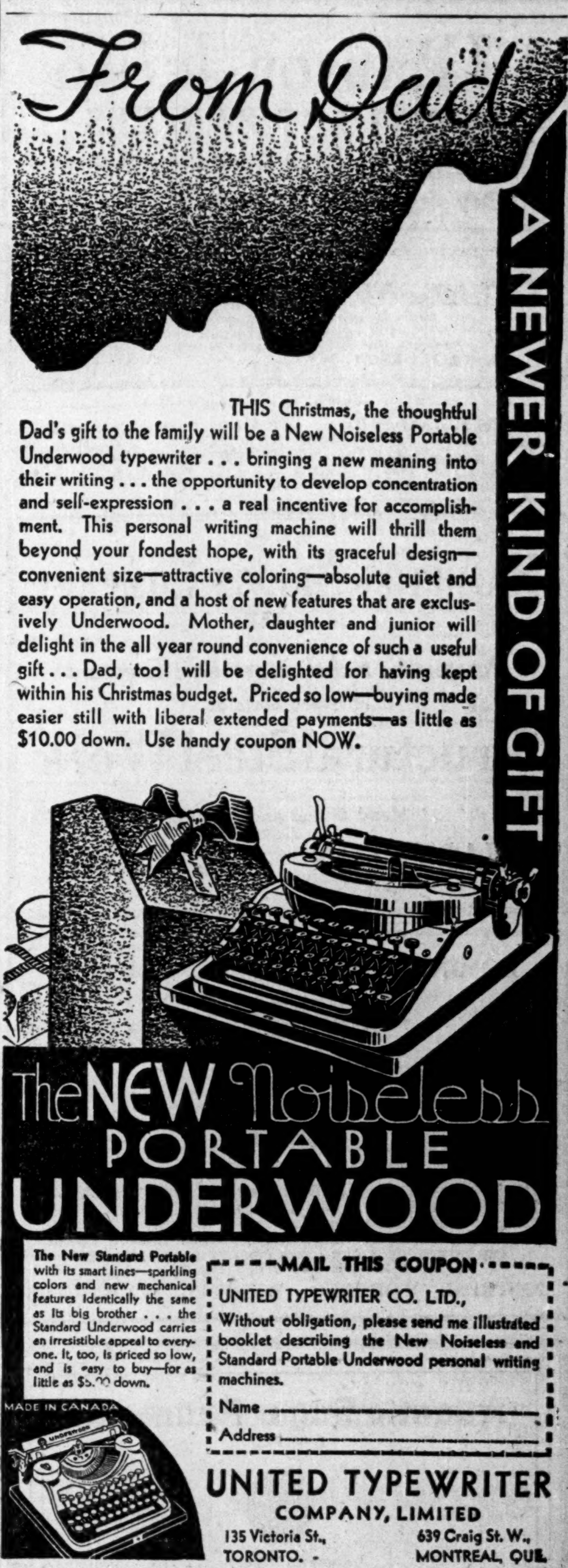
Promises Not Kept

There had been a great deal of correspondence in the meantime and promises of payments on a weekly basis had been made which were not kept. The companies felt that every possible leniency had been shown, that further delay would not be taking proper care in the case of the insurance company of the policy-holders whose money was invested and in the case of the bank of its shareholders and depositors.

Not only in this case but in some others in the same district the insurance company had done its best to meet cases of hardship by special arrangements. In this particular case the property was reported to be deteriorating and it was believed that some other man might make a profitable business of it. The report that a sales could be arranged higher than the two mortgages indicated that that was also the belief of others.

Little Equity for Stokes

In practically every instance brought recently to the attention of The Financial Post, the lending corporations have shown every desire to aid the farmer who was evidently able and willing to work his land to the best advantage, and to maintain buildings in the best possible state of repair. In the case of Stokes, deterioration in buildings and farm, it was claimed, had proceeded so far that it was thought he had very little equity, if anything in the property. The cash sale valuation made by the London Life, at the time its loan of $4,000 was made, was $7,760 and in July, 1929, the valuation was $5,500 while $6,300 was owing to the company and to the bank.



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1930 Chemical Output Down

Final figures of Canada's manufactures of chemicals and allied products for 1930 show that the output from this group was valued at $119,969,637 as compared with $138,545,221 in 1929 and $123,677,860 in 1928. The 1930 total exceeded the value for any of the years from 1919 to 1927 inclusive.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING DECEMBER 14

Range 1931 High	Low	Divd. Rate in $	Yield in % Dec. 12		Sales	Close Dec. 7 (or last)	Week Ending —Dec. 14— High	Low	Close
13½	2½	.	...	Abitibi, c.	755	3½	3¼	3	3
50	7	.	...	Do. pref.	115	10	9	7	7
105	80	7	...	Do. pref.	....	80½	..	..	..
8	5½	.	...	Agnew Surp. c.	....	7½	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
7½	2½	.	...	Alta. Pac. Gr.	125	7½	7½	7	7
30	10½	.	...	Do. pref.	20	25	30	27	27
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25		...	Asbestos	....	.30	..	..	..
2.00	.45	.	...	Do. pref.	60	2.00	2.00	2.00	2.00
9	5	60c	10.9	Assoc. Brew.	100	6	5½	5½	5½
70½	67	7	10	Do. pref.	25	70	70	70	70
10	3	.	...	Assoc. Can.	....	3	..	..	..
69	65	4+50	..	Assoc. Tele.	....	66	..	..	..
37½	12½		...	Atlan. Sugar	....	22½	..	..	..
105	79½	.	...	Do. pref.	....	92	..	..	..
175½	158½	10	6.1	Bk. Can. Nat.	....	164½	..	..	..
303	235	12	5.1	Bk. Montreal	....	235	..	..	..
326	284	16	5.6	Bk. N. Scotia	4	284	284	284	284
238	213	12	5.6	Bk. of Toronto	....	213	..	..	..
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5½	3½	.	...	Bathurst Pr.	....	3½	..	..	..
5	2	.	...	Do. (B)	....	2¼	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	....	6	..	..	..
20	10	1	10	Beatty Bros. A	....	10	..	..	..
80	60	6	10	Do. pref.	....	60	..	..	..
8½	3	.	...	Beauharnois	45	3½	3½	3½	3½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	90	7	7.8	Do., pref.	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅞	121	8	6.6	Bell Telephone	1230	124	125	121	121⅛
4½	2	.	...	Biltmore Hats	25	3	2	2	2
65	45	7	15.5	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	4	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	13.3	Blue Ribbon	5	17	15	15	15
39½	30	3.25	10.8	Do. pref.	122	33	33	30	30
22½	14	2	11.4	Brant. Cd. pf.	300	17½	17½	17¼	17½
28½	7⅛	50c(d)	..	Brazilian Tr.	18145	10¾	11¼	10	11⅜
1.25	.25	.	...	Brewing Corp.	50	.50	.50	.50	.50
7½	2½	.	...	Do. pref.	47	4	4	2½	3
¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
16½	7⅝	80c	8	Brit. Amer. Oil	8543	10¼	10½	9½	9¾
3¼	¼	.	...	B.C. Packers	185	1¼	1¾	1⅛	1½
22	5	.	...	Do. pref.	102	6	6	6	6
42½	26	2	7.7	B.C. Power	6	26	26	26	26
18	7	.	...	Do. (B)	....	8⅜	..	..	..
2	1	.	...	B.E. Steel	....	1⅛	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅛	.	...	Do. 2nd pref.	....	2⅞	..	..	..
8	4½	.	...	Bruck S. Mills	40	4½	4½	4½	4½
26	15½	2	12.5	Building Prod.	315	20½	20	15½	15½
44½	29½	3	9.4	Burt, F. N.	425	34	34	31	31
146	137	6	4.4	Calgary Pr.	....	137	..	..	..
7⅛	2¾	.	...	Can. Bread	800	3⅛	3⅛	2¾	2¾
100	87	7	7.4	Do. pref. (A)	....	95	..	..	..
80	55	2	3.2	Do. pref. B.	....	63	..	..	..
13	7	1	11.4	Canada Bud	585	9	9½	8	8
18⅞	5	.	...	Can. Cement	1891	7	7	5½	5½
96½	63	6.50	9.5	Do. pref.	432	71	71	67½	68
45	14	3	20	Canada Dry	11100	16⅜	16½	14¼	14¾
12	10	.	...	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.4	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
650	630	20	3.2	Canada Life	....	630	..	..	..
16½	10¾	1.50	12.2	Can. Malting	9205	13½	13⅛	12	12½
25½	15	80c	4.1	Can. Nor. Pr.	75	19½	19½	19½	19½
107	104	7	6.6	Do. pref.	....	106	..	..	..
6	⅜	.	...	Can. Paving	25	⅜	⅜	⅜	⅜
51	10½	.	...	Do. pref.	4	10½	10½	10½	10½
216	190	12	6.2	Can. Perman.	5	191	194	194	194
4.50	.50	.	...	Can. Pr. & Pa.	267	.60	.60	.60	.60
9	3	.	...	Can. Steamsh's	150	3⅝	3½	3⅛	3⅛
27	8	.	...	Do. pref.	....	9	..	..	..
20	14½	1.60	10.6	Can. Vinegar	35	16	15	14⅝	14⅝
70	54½	4	6.5	Can. W. Cable	....	61	..	..	..
30½	20	1	4.8	Do. (B)	90	20¾	20¾	20¾	20¾
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	31	.	...	Do. pref.	....	31	..	..	..
232	196	12	6.1	Can. Bk. Com.	....	196	..	..	..
36½	19	2.50	13.2	Can. Bronze	....	19	..	..	..
110	102	7	6.9	Do. pref.	....	102	..	..	..
13½	8	20c	2.5	Can. Canners	....	8	..	..	..
92½	80	6	7.5	Do. 1st pfd.	....	80	..	..	..
14	8½	68c	7.5	Do. 2nd pref.	....	9	..	..	..
19	4¾	1.75	28	Can. Car & F'y	2239	7¼	7¼	6¼	6¼
25½	14⅝	1.75	11.2	Do. pref.	545	17	17	14¾	14¾
14½	6	.	...	Can. Celanese	5	6½	6½	6½	6½
73½	59	7	10.8	Do. pref.	30	65	65	65	65
58	30	4	13.3	Can. Convert.	....	30	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	49	6	11.8	Do. pref.	....	51	..	..	..
36½	17	8	16	Can. Dredge	620	23	22	17	17
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅜	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5¾	.	...	Can. For. Inv.	....	6	..	..	..
80	70	8	10.4	Do. pref.	....	77	..	..	..
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	54	3.50	6.3	Do. pref.	385	55	55¾	55¼	55¼
80	52	6	9.1	Can. Hyd. E. p.	15	66	66	66	66
5½	1½	.	...	Can. Ind. Alc.	1390	2½	2	1½	1½
3½	¾	.	...	Do. (B)	100	1½	1	1	1
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.	....	65	..	..	..
42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
18	1	.	...	Can. Locomo.	....	1	..	..	..
25	5	.	...	Do. pref.	20	10	5	5	5
b4½	⅞	.	...	Can. Marconi	17300	1⅛	1¼	⅞	1
23½	9	1	9.5	Canadian Oil	265	10½	10¾	9½	9½
120	95½	8	8	Do. pref.	....	100	..	..	..
45½	12½	1.25	..	Can. Pacific	6646	17½	17½	14½	16
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2½	.	...	Can. Vickers	130	2½	2½	2½	2½
35	16	.	...	Do. pref.	....	20	..	..	..
6	2	50c	20	Can. Wineries	80	2⅜	2½	2½	2½
16	6	1	13.3	Can. Wire Box	25	8	7½	7½	7½
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+2	4.7	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	10c	...	Chem Research	5075	2.50	2.50	2.00	2.00
20.25	7.00	30c(c)	...	Cities Service	....	8.50	..	..	..
10	3	.	...	Cockshutt Plow	1815	5	5	4½	4½
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	3	.	...	Conduits	25	4	3½	3½	3½
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	6½	1	14.2	Cons. Bakeries	1110	8½	8	6½	6½
3	½	.	...	Cons. Food Pr.	....	½	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅜	6¾	80+20c	14.3	Cons. Indust.	250	8	7¼	6¾	6¾
5	5	.	...	Consol. Paper	....	5	..	..	..
31	23	2	8.3	Cons. Press	....	23	..	..	..
80	50	7	14	Cons. Sand, pf.	20	50	50	50	50
188½	64	2.50†	3.65	Cons. Smelters	2020	75	75	66	68½
188	163	10	5.9	Consumers Gas	275	177	177	163	165
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	1	.	...	Cosgrave Br.	324	3½	3½	3¼	3½
9	3	.	...	Cosmos Imp.	40	5	4	3	3½
93	65	7	10	Do. pref.	....	70	..	..	..
6½	2	.	...	Crown Dom. Oil	200	3	2½	2½	2½
15	8½	3	...	Crow's N. Coal	....	10⅛	..	..	..
5	3	.	...	David & Fre. B	....	3	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	5	.	...	Disher Steel	....	5	..	..	..
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12⅞	5	1	17.4	Distill-Seagram	2633	7	6	5	5½
223	204	12	5.9	Dominion Bank	....	204	..	..	..
55½	27	3	11.1	Dom. Bridge	55	27	27	27	27
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	50	20	18	18	18
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	5	6.1	Dom. Glass	....	82	..	..	..
125	119	7	5.6	Do. pref.	....	125	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
11¾	2¾	40c	11.4	Dom. Motors	140	3¼	3½	3½	3½
14	9	.	...	Dom. Pr. Stubs	....	9	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	1	.	...	Dom. St. & C.B.	1395	2½	2¾	2	2
24½	13¼	1.20+30c	8.2	Dom. Stores	1856	19½	19½	17⅞	18¼
14	5	.	...	Dom. Tar & Ch.	55	5½	5½	5	5
95	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
83	63	5	7.9	Dom. Textile	2	63¼	63¼	63¼	63¼
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	1½	.	...	Dryden Paper	60	3	2	2	2
7½	3	.	...	Duff. Paving	20	6	5½	5	5½
80	68	7	10.3	Do. pref.	....	68	..	..	..
25½	16	1	5	East. Dairies	....	20	..	..	..
20	16	1+1	...	East. Steel	....	16	..	..	..
100	97	7	7.1	Do. pref.	....	98	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94⅝	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Easy Washer	....	3½	..	..	..
37	34½	1.75	4.7	Economic Inv.	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	20	3	15	Eng. Electric	10	20	20	20	20
16	2	.	...	Do. (B)	....	2	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	9¾	1	10	Fanny Farmer	5	10½	10	10	10
34	27	2.40	8.9	Do. pref.	....	27	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29½	10½	.	...	Ford Motors A	3115	13	12¾	11½	11¾
15	5	.	...	For. Pr. Secs.	....	5	..	..	..
16½	8½	1	11.1	Foundation Co.	....	9	..	..	..
3	½	.	...	Fraser Cos.	270	1½	1½	1	1
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost Steel	....	7	..	..	..
96½	85	7	8.2	Do. pref.	....	85	..	..	..
7¼	1½	.	...	Gen. St. Wares	430	2⅝	2½	2¼	2¼
119	70	5	5.9	Goodyear Tire	40	88	88	79	80
107⅞	90	7	7.7	Do. pref.	47	93	93	90	90
93½	93½	7	7.5	Gould Pumps p	....	93½	..	..	..
¾	½	.	...	Gt. W. Saddlery	....	⅝	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	9.5	Gurd, Chas.	10	21	21	21	21
12⅞	5	40c	8	Gypsum, Lime	695	5½	5½	5	5
20½	6¾	.	...	Ham. Bridge	10	7	7	7	7
80	63	6.50	9.7	Do. pref.	....	67	..	..	..
19	12¾	.	...	Ham. Cotton p	....	12¾	..	..	..
4½	1	.	...	Ham. U. Theat.	45	2	1½	1	1
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	3½	.	...	Hayes Wheel	100	5	4	3½	3½
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	1	.	...	Hinde & Dauch	....	1½	..	..	..
75	75	.	...	Holt Renfrew	....	75	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	3	.	...	Honey Dew	30	3	3	3	3
59	40	7	17.5	Do. pref.	85	45	47	40	40
6	2½	.	...	H. Smith Pap.	454	3	3	2½	2½
45	30	.	...	Do. pref.	....	32	..	..	..
22	15	2.40	11	Humberstone S	....	21½	..	..	..
23½	17	1.40+50	11	Hunt (A)	....	17	..	..	..
23¼	18½	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M.	....	144	..	..	..
29½	28	.	...	Do. 20% pd.	....	28	..	..	..
29⅜	13½	1.20	8.6	Hydro Electric	....	14	..	..	..
225	201	12	5.9	Imperial Bank	....	203	..	..	..
18⅜	8½	50+50c	10	Imperial Oil	15977	11	11	10	10
10½	8½	35+20c	6.2	Imperial Tob.	11	8⅞	8⅞	8⅞	8⅞
80	80	8	...	Intercol. Coal p	....	80	..	..	..
29	13	2a	...	Int. Hyd. E(A)	....	13	..	..	..
103	92	7	7.3	Inter. Mill., pf.	38	96	96	96	96
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	8½	20c	2.2	Inter. Nickel	22412	10	10½	9	9
10	5	.	...	Inter. Paints	....	5	..	..	..
b10	1½	.	...	Int. P. & P. A	4600	2⅜	2⅝	2	2⅛
b6	¼	.	...	Do. (B)	....	1½	..	..	..
b4½	½	.	...	Do. (C)	....	1	..	..	..
b43½	8⅛	.	...	Do. pref.	4500	11	10	8½	8½
15½	8½	1	9.4	Inter. Pete.	8910	11⅛	11¾	10¼	10⅝
8	5	.	...	Inter. Power	....	5	..	..	..
73	56½	7	12.3	Do. pref.	....	57	..	..	..
45	11½	3.50	25.9	Int. Util. (A)	542	18	16½	11½	11½
11	2½	.	...	Do. (B)	345	3	3½	2½	2½
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	99½	7	7	Do. pref.	....	100	..	..	..
5½	2½	.	...	Kelvinator	....	3	..	..	..
90⅝	73½	7	7.8	Do. pref.	....	90	..	..	..
x40	40	.	...	Kng. Ed. Hotel	....	..	..	..	..
24	5	.	...	Lake of Woods	50	8	8	7	7
101	82	.	...	Do. pref.	....	85	..	..	..
140	140	8	5.7	Landed Bank.	....	140	..	..	..
46	33	3	7.9	Laura Secord	125	38½	38½	38	38
16	8½	1	10	Lindsay, C. W.	....	10	..	..	..
72½	65	6.50	9.7	Do. pref.	....	67	..	..	..
14⅜	9⅜	80c	8	Loblaw (A)	1036	10⅜	11	9½	9¾
14⅜	9½	80c	8	Do. (B)	102	10⅛	10½	9½	9½
x2½	2½	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	90	7	7.7	Do. pref.	....	91	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
10½	4⅜	.	...	Maple Leaf	60	5	4½	4⅜	4⅜
40	10	.	...	Do. pref.	....	30	..	..	..
35	30	.	...	Do. pref. (B)	....	30	..	..	..
38	30	.	...	Marcus Loew's	50	32	38	38	38
73	70	7	9.6	Do. pref.	....	73	..	..	..
10½	1⅞	.	...	Massey-Harris	2935	4½	4⅜	3½	3½
22½	9⅞	60c	6.1	McColl Fron.	13	9⅞	9⅞	9⅞	9⅞
80	69½	6	7.9	Do. pref.	....	76	..	..	..
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do., pref.	....	..	..	..	..
40½	40	2	5	Mitchell, J. S.	....	40	..	..	..
105	104	7	6.7	Do. pref.	....	105	..	..	..
20	8	1	12.5	Mitchell, Robt.	85	10½	8	8	8
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do., pref.	....	38	..	..	..
95½	83½	6	6.5	Montreal Cot.	....	92	..	..	..
102	98	7	7	Do. pref.	....	100	..	..	..
3½	2	.	...	Montreal Exhib.	....	2½	..	..	..
20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
68½	38	1.50	3.9	Mont. L. & P.	39	38	38	38	38
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	48	3.20	6.3	Montreal Tele.	....	51	..	..	..
177	150	10	6.4	Mont. Trams.	....	155	..	..	..
17½	8½	1	10.5	Moore Corp. c.	100	12½	11½	8½	8½
108½	95	7	7.4	Do. (A)	5	95	95	95	95
126	99	7	7.1	Do. (B)	5	101½	99	99	99
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3½	2	10c	...	Muirheads	25	2	2	2	2
10	6	75c	8.3	Do. pref.	100	9½	9	9	9
35¾	23½	1.60	6.7	Nat. Brew.	....	24	..	..	..
35	27	1.75	5.6	Do. pref.	....	31	..	..	..
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	11½	2	16	Nat. Steel Car	100	12½	12½	12½	12½
360	250	14	5.6	National Trust	....	250	..	..	..
13	10⅝	1.00	9.4	Niag. W. Weav.	....	10⅝	..	..	..
36	32	3	9.4	Do. pref.	....	32	..	..	..
6.00	2.00	.	...	North Star Oil	75	3.00	2.75	2.75	2.75
4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
x25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4.3	Ogilvie Flour	....	185	..	..	..
130	116½	7	6	Do. pref.	....	117	..	..	..
21	8	60c	7.5	Ont. Eq. 10% p	50	8½	8½	8	8
120	113	6	5.1	Ontario Loan	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1½	¾	.	...	Orange Crush	....	¾	..	..	..
60	45	7	15.6	Do. (A)	10	45	45	45	45
5½	1	.	...	Do. (B)	95	1½	1	1	1
110	90	6	5.7	Ott. L. H. & Pr	....	105	..	..	..
105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92½	68	5	7.2	Page Hersey	140	69½	69½	69½	69½
49	21½	2.50	...	Paramount	....	21½	..	..	..
35	30	.	...	Paton Mfg.	....	30	..	..	..
94	82	.	...	Do. pref.	....	94	..	..	..
¼	¼	.	...	Pelissiers	....	¼	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
73	31	4	12.1	Penmans	....	33	..	..	..
101	93	6	6.2	Do. pref.	....	97	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	16½	2	11.7	Photo Eng.	63	19½	19½	16½	16½
40	10	.	...	Port Alfred, pf.	....	10	..	..	..
70	64	7	10	Porto Rico P. p	....	70	..	..	..
b39½	8	.	...	Postal Tele.	....	..	..	..	..
63½	35½	2	5.5	Power Corp.	491	36½	36½	36½	36½
102	94	6	6.2	Do. pref.	....	97	..	..	..
4½	3	.	...	Prairie C. Oil	....	3	..	..	..
16	8½	50c	5	Pressed Metals	....	10	..	..	..
42½	25	.	...	Price Bros.	....	25	..	..	..
99	70	6.50	9.3	Do. pref.	....	70	..	..	..
49	27	2.50	8.6	Quebec Power	30	29	29	29	29
110	105	7	6.7	Real Estate Ln.	....	105	..	..	..
3	1	.	...	Regent Knit.	100	1	1½	1	1
10	5½	.	...	Reliance Grain	....	9	..	..	..
16	9	2	17.2	River. S. Mills	85	12	11½	11	11
19½	10	1.50	12.5	Robinson Cone	75	11⅛	12	10	10
16½	9	.	...	Rogers Majest.	....	9	..	..	..
291	231	12	5.2	Royal Bank	....	231	..	..	..
84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
77¾	32	3	8.6	Russell Motor	10	32	35	35	35
95	72¾	7	9.6	Do. pref.	10	76½	72¾	72¾	72¾
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36¾	5¾	.	...	Serv. Stn. Eq.	415	6½	6¾	6	6
90½	50	6	12	Do. pref.	110	57	50	50	50
59½	32½	2	6.1	Shawinigan	....	33	..	..	..
30	20	1.60	6.7	Sher.-Wms.	....	24	..	..	..
120	112	7	6.1	Do. pref.	....	115	..	..	..
22	14	2.50	14.7	Simon & Son	....	17	..	..	..
92	88½	7	7.7	Do. pref.	....	91	..	..	..
92½	55	6.50	10.8	Simpsons Ltd.	23	60	60	55	55
44½	36	.	...	Do. (A)	....	36	..	..	..
35½	24½	.	...	Do. (B)	....	29	..	..	..
108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
4	½	.	...	St. Law. Corp.	860	1	1½	1	1
12	2½	.	...	Do. (A)	150	4	4	4	4
20	16	.	...	St. Law. Flour	....	16½	..	..	..
85	83	7	8.2	Do. pref.	....	85	..	..	..
30½	10	.	...	St. Law. Pap. p.	20	13	12½	11	11
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22½	1	8.4	South. Can. Pr.	....	29	..	..	..
106½	104	6	5.7	Do. pref.	1	105¾	105¾	105¾	105¾
16⅛	3	.	...	St. Pav. & Mat.	45	4	4	3	3
80	55	7	11.7	Do. pref.	....	60	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	5	1	...	Stand. Chem.	10	6	6	6	6
9⅞	2½	.	...	Stand. Steel	655	3	3	2⅜	2⅞
35	30	3	10	Do. pref.	....	30	..	..	..
42½	21	1.75	7.9	Steel of Can.	2030	23½	23½	22	22
37	28½	1.75	6	Do. pref.	525	29	29	29	29
4½	2½	.	...	Sterling Coal	....	2½	..	..	..
32½	12¾	1	6.1	Sup. Pet. ord.	400	18	18	16½	16½
105	94	7	7.2	Do. pref.	30	97	97	97	97
31	14	1	5.5	Do. com.	....	18	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
106	100	7	6.9	Do. pref.	5	100½	101	101	101
30	17	3.50	17.5	Thayers, pref.	....	17	..	..	..
13	6½	.	...	Tip Top Tailors	100	7	7	7	7
90	77	7	8.4	Do. pref.	....	83	..	..	..
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	48½	.	...	Do. pref.	....	48½	..	..	..
15	9½	.	...	Tor. Elevators	25	13	11	11	11
235	210	12	5.6	Tor. Gen. Tr.	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.	....	110	..	..	..
3	1	.	...	Traymore	....	1½	..	..	..
12½	7	.	...	Do. pref.	....	7	..	..	..
130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
17½	2½	.	...	Twin City	45	3½	4	2½	2½
b62	19½	7	...	Do. pref.	....	..	..	..	..
45	28	.	...	Do. (notes)	....	35	..	..	..
16	4¾	1	20	Union Gas.	613	6	6	4¾	5
101½	98	7+1	7.9	Union Trust	....	100½	..	..	..
8	3	.	...	United Fuel	....	6½	..	..	..
65	20	.	...	Do. pref.	15	25	20	20	20
62½	40	2	5	United Secs.	....	40	..	..	..
24½	8½	.	...	Viau Biscuit	35	9½	9½	9½	9½
85	70	7	10	Do. pref.	....	70	..	..	..
30	10	.	...	Wabasso Cot.	....	14	..	..	..
8⅝	2½	25c	9.5	Walker-Good.	25416	3⅛	3¼	2½	2½
7¾	2	.	...	Waterloo Mfg.	....	3⅛	..	..	..
45	30	1	2.6	Weston Bisc.	....	38	..	..	..
90	79	7	8.9	Do. pref.	....	79	..	..	..
17½	6½	.	...	West. C. Flour	....	8	..	..	..
96	70	6.50	9.3	Do. pref.	5	75	70	70	70
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	16.7	Do. pref.	....	42	..	..	..
91	85	.	...	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can.	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	4	.	...	Winnipeg Elec.	590	7	6½	5⅜	6
81½	49	.	...	Do. pref.	....	50	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	.	...	Wood, Alex, J.p	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
d 4% in stock and 50c cash.
† Plus stock bonus.

Winnipeg Stock Exchange

December 11, 1931

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Home Investment	..	45
Beaver Lumber c.	5⅝	..	Monarch Life	..	30
Can. Amer. Tr. shs.	..	4½	Nor. Can. Mtge. pf.	15	..
Can. Fire Ins.	..	85	Nor. Can. Mtge. c.	½	..
Can. Indemnity	120	..	Northern Trust	..	24
Crescent Creamery pfd.	..	90	Un. Gr. Growers	14⅛	..
Gt. West Life	375	390	West Breweries	2	2½

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Assoc. Telephone & Tel. "A"	...	$1+50c	Jan. 1/32	Dec. 17
Agnew Surpass pfd.	7%	1¾%	Jan. 2	Dec. 15
Associated Breweries	60c	15c	Dec. 31	Dec. 15
Do., pref.	7%	1¾%	Jan. 1	Dec. 15
Bank of Nova Scotia	16%	4%	Jan. 2	Dec. 16
Bell Telephone	8%	2%	Jan. 15	Dec. 23
Brantford Cordage, pfd.	8%	2%	Jan. 15	Dec. 20
Brazilian Traction pfd.	6%	1½%	Jan. 2	Dec. 15
B. C. Power "A"	$2	50c	Jan. 15	Dec. 31
British American Oil	80c	20c	Jan. 2	Dec. 12
Brandram-Henderson pfd.	7%	1¾%	Jan. 2	Dec. 1
British Mortgage & Trust	12%	6%	Jan. 2	Dec. 19
Burt, F. N.	$3	75c	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
Building Products "A" and "B"	$2	50c.	Jan. 2	Dec. 22
Canada Bread, 1st pref.	7%	1¾%	Jan. 2	Dec. 14
Calgary Power	6%	1½%	Jan. 2	Dec. 15
Canada Bud Breweries	$1	25c	Jan. 15	Dec. 31
Canada Permanent Mtge.	12%	3%	Jan. 2	Dec. 15
Can. Cottons, pfd.	6%	1½%	Jan. 4	Dec. 19
Canada Cement, pref.	6½%	1⅝%	Dec. 31	Nov. 30
Canadian Oil, pref.	8%	2%	Jan. 1	Dec. 19
Can. Pacific Railway, ord.	5%	1¼%	Dec. 31	Dec. 1
Canada Northern Power	80c	20c	Jan. 25	Dec. 31
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Canada Trust	10%	5%	Jan. 2	Dec. 15
Can. Westinghouse	$2	50c.	Jan. 1	Dec. 21
Canadian Car, pref.	$1.75	44c	Jan. 11	Dec. 26
Can. Celanese, pref.	7%	1¾%	Dec. 31	Dec. 15
Central Canada Loan	12+2%	3+2%	Jan. 2	Dec. 15
Canadian Canners	20c	5c	Jan. 2	Dec. 15
Do., 1st pref.	6%	1½%	Jan. 2	Dec. 15
Do., convert. pfd.	68c	17c	Jan. 2	Dec. 15
Can. Wirebound Box	$1	25c	Jan. 1	Dec. 15
Can. General Electric	$4	$1	Jan. 1	Dec. 15
Do., pref.	7%	1¾%	Jan. 1	Dec. 15
Consumers Gas	10%	2½%	Jan. 2	Dec. 15
Chartered Trust	6%	1½%	Jan. 2	Dec. 24
Conduits, pref.	7%	1¾%	Jan. 1	Dec. 23
Consolidated Smelters	...	5%	Jan. 15	Dec. 28
Dufferin Paving 1st pref.	$7	$1.75	Jan. 2	Dec. 23
Dominion Rubber pfd.	7%	1¾%	Dec. 31	Dec. 23
Dome Mines	$1	25c	Jan. 20	Dec. 31
Dominion Bank	12%	3%	Jan. 2	Dec. 19
Dominion Stores	$1.20+30	30+30c	Jan. 2	Dec. 15
Dominion Glass	5%	1¼%	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 2	Dec. 15
Dominion Textile	$5	$1.25	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Edmonton C. Dairy, pfd.	6½%	1⅝%	Jan. 2	Dec. 15
Eastern Theatres, pfd.	7%	3½%	Jan. 30	Dec. 31
Eastern Steel Prod. pfd.	$7	$1.75	Jan. 1	Dec. 15
Fanny Farmer	$1	25c	Dec. 31	Dec. 15
Do., pref.	$2.40	60c	Dec. 31	Dec. 15
Foundation Co.	$1	25c	Feb. 15	Jan. 30
Famous Players	$2	50c	Dec. 26	Dec. 4
Freiman, A. J., pref.	6%	1½%	Jan. 2	Dec. 15
Goderich Elevator	$1.40	35c.	Jan. 1	Dec. 15
Goodyear Tire	$5	$1.25	Jan. 2	Dec. 15
Do., pfd.	7%	1¾%	Jan. 2	Dec. 15
Gould Pumps, pref.	7%	1¾%	Jan. 2	Dec. 19
Gurd, Charles	$2	50c	Jan. 1	Dec. 15
Do., pref.	$7	$1.75	Jan. 1	Dec. 15
Greening Wire, pfd.	7%	1¾%	Jan. 1	Dec. 15
Hollinger Mines	...	5c	Dec. 31	Dec. 16
Honey Dew, pfd.	$7	$1.75	Jan. 2	Dec. 15
Holt Renfrew, pfd.	7%	1¾%	Jan. 2	Dec. 28
Hunts "A" and "B"	$1.40	35c.	Jan. 2	Dec. 14
Hamilton Un. Theatres pfd.	7%	1¾%	Dec. 31	Nov. 30
Hamilton Bridge, pfd.	6½%	1⅝%	Feb. 1	Jan. 15
Huron & Erie Mtge.	8%	2%	Jan. 2	Dec. 15
Halifax Fire Insurance	$1.20	60c	Jan. 2	Dec. 10
International Nickel, c.	20c	5c	Dec. 31	Dec. 1
International Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Imperial Tobacco, ord.	7%	1¾%	Dec. 31	Dec. 2
Intercolonial Coal	1%	½%	Jan. 2	Dec. 21
Do., pref.	8%	4%	Jan. 2	Dec. 21
Jamaica Pub. Service	$1	25c	Jan. 2	Dec. 18
Do., pref.	$7	$1.75	Jan. 2	Dec. 18
Loew's London, pref.	...	5¼%	Dec. 31	Dec. 19
Landed Banking & Loan	8%	2%	Jan. 2	Dec. 15
McColl Frontenac, pref.	$6	$1.50	Jan. 15	Dec. 31
Midland Loan & Savings	10+2%	5+2%	Jan. 2	Dec. 15
McLeod Oils	...	5c	Jan. 25	Jan. 5
Mitchell, J. S., pref.	7%	1¾%	Jan. 2	Dec. 16
Montreal C. & D. Bank	12+1%	3+1%	Jan. 2	Dec. 15
Montreal Tramways	$10	$2.50	Jan. 15	Jan. 7
Moore Corp.	$1	25c.	Jan. 2	Dec. 16
Do., pref. "A" and "B"	$7	$1.75	Jan. 2	Dec. 16
Monarch Mtge. & Inv., pfd.	8%	2%	Jan. 15	Dec. 31
Mackay Cos. pref.	$4	$1	Jan. 2	Dec. 18
National Steel Car	$2	50c	Jan. 2	Dec. 17
North Star Oil, pref.	7%	1¾%	Jan. 2	Dec. 15
Neon Prod. of West. Can., ord.	...	*25c	Dec. 21	Dec. 5
Noranda	...	50c	Dec. 29	Dec. 15
National Trust	14%	3½%	Jan. 2	Dec. 21
National Breweries	$1.60	40c	Jan. 2	Dec. 15
Do., pref.	$1.75	43c	Jan. 2	Dec. 15
Niagara Wire Weaving	$1	25c.	Jan. 2	Dec. 22
Do., pref.	$3	75c.	Jan. 2	Dec. 22
Northern Ont. Power	$2	50c	Jan. 25	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
N. S. Light & Power, ord.	$4	$1	Jan. 2	Dec. 19
Orange Crush "A" pref.	7%	1¾%	Jan. 1	Dec. 15
Ontario Loan & Deb.	12%	3%	Jan. 2	Dec. 15
Ottawa L. H. & Pr.	6%	1½%	Dec. 31	Dec. 15
Do., pref.	6½%	1⅝%	Jan. 1	Dec. 15
Page Hersey Tubes	$5	$1.25	Jan. 1	Dec. 19
Do., pref.	7%	1¾%	Jan. 1	Dec. 19
Porto Rico Pr., pfd.	7%	1¾%	Jan. 2	Dec. 15
Premier Gold Mines	12c	3c	Jan. 4	Dec. 14
Premier Trust	$5	$2.50	Dec. 31	Dec. 24
Provincial Paper, pfd.	7%	1¾%	Jan. 2	Dec. 15
Paramount Publix	stk. div.	2½%	Dec. 31	Dec. 4
Pioneer Gold, B.C.	12c	3c	Jan. 2	Dec. 15
Power Corp., pref.	6%	1½%	Jan. 15	Dec. 31
Do., non-cum. pfd.	6%	1½%	Jan. 15	Dec. 31
Price Bros. pref.	6½%	1⅝%	Jan. 2	Dec. 15
Riverside Silk Mills	$2	50c	Jan. 2	Dec. 15
Robinson Cons. Cone	$1.50	37½c	Jan. 1	Dec. 15
South. Can. Power pref.	6%	1½%	Jan. 15	Dec. 19
Standard Steel, pref. "A"	$3	75c	Jan. 1	Dec. 15
Sherwin-Williams	$1.60	40c.	Dec. 31	Dec. 15
Do., pref.	7%	1¾%	Dec. 31	Dec. 15
Sylvanite Gold Mines	4%	2%	Dec. 31	Dec. 5
Sun Life Assurance	$25	$6.25	Jan. 1	Dec. 16
Supertest Pete. com. & ord.	$1	25c.	Jan. 2	Dec. 18
Do., pref. "A"	7%	1¾%	Jan. 1	Dec. 18
Do., pref. "B"	6%	1½%	Jan. 1	Dec. 18
Steel of Canada	7%	1¾%	Feb. 1	Jan. 7
Do., pref.	7%	1¾%	Feb. 1	Jan. 7
Shawinigan W. & Pr.	$2	50c	Jan. 11	Dec. 18
Tamblyn's pfd.	7%	1¾%	Jan. 1	Dec. 19
Tip Top Tailors, pref.	7%	1¾%	Jan. 2	Dec. 15
Toronto Mortgage	12%	3%	Jan. 1	Dec. 15
Toronto General Trusts	12%	3%	Jan. 2	Dec. 12
Twin City, pref.	$7	$1.75	Jan. 2	Dec. 12
Viau Biscuit, pref.	7%	1¾%	Jan. 2	Dec. 23
Viau Biscuit, 2nd pref.	7%	1¾%	Jan. 2	Dec. 23
Wright-Hargreaves	10+2½c	2½+2½c	Jan. 1	Dec. 14
Western Grocers, pref.	7%	1¾%	Jan. 15	Dec. 20
West Kootenay Pr. pfd.	7%	1¾%	Jan. 2	Dec. 22

*Special dividend.
†Plus stock dividend of one share for every twenty shs. held.

Dividends Passed or Deferred:

Ford Motor of Canada, Dec. 20. Last paid 60c. June 20.

Gould Pumps, com., Jan. 2, passed. Last paid 1% Oct. 1, 1931.

Price Bros. com. Jan. 2, passed. Last paid 25c. Oct. 1.

United Fuel Investments, pref., Jan. 1, passed. Last paid 1% Oct. 1, 1931.

Hudson's Bay, com. and pref., for year ending May 31, 1932, passed.

Hamilton Cotton pref., Jan. 1, deferred. Last paid 50c. Oct. 1, 1931.

Winnipeg Electric, pref., Jan. 1 deferred. Last paid 1¾% Oct. 1, 1931.

Dividend Rate Reduced:

Canadian Canners, com., Jan. 2, 5c. Reduced from 50c. to 20c. per annum.

Do., convertible, pref. Jan. 2, 17c. Reduced from 80c. to 68c. per annum.

Dominion Glass, com., Jan. 2. Reduced from 1¾% to 1¼% quarterly.

Hiram Walker, Dec. 15. Reduced from 12½c. to 6¼c. quarterly.

International Nickel, com., 5c. Dec. 31. Reduced from 10c. to 5c. quarterly.

Extra Dividends:

Midland Loan & Savings, Jan. 2, 2%.

Dominion Stores, Jan. 2, 30 cents per share.

Wright Hargreaves, Jan. 2, 2½ cents per share.

Central Canada Loan & Savings, Jan. 2, 2% bonus.

Listed Bond Quotations

Week Ending December 14

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931 High	Low
Abitibi, 1st mtge.	5	1953	...	57	...	...	78	49
Asbestos	5	1942	...	†65	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	†14	14	...	20	14
Do., gen. mtge.	6	1956	...	14	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x102½	102½
Can. Cottons	5	1940	6.48	...	90	...	91	88
Can. Forgings	6	1942	6	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	†9	...	...	28½	5
Do. (Way. Ser.)	5½	1958	...	†9	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98¾	...
Cedars Rapids	5	1953	5	...	100	...	105	100
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNish	6	1948	...	2.25	...	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	x100	98⅜
Mont. Tr. 1st mtge.	5	1941	6.38	...	90½	...	101½	90¼
Mont. Tr. "A"	5	1955	6.62	†76	80¾	...	95½	80¾
Mont. Tr. G. & R. "B"	5	1955	5.51	†76	...	...	95⅛	91¾
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	6.38	†76	83¼	...	95½	83¼
N. S. Steel	5	1959	...	...	...	...	62⅝	59
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100⅜	100
Do., "B"	6	1932	...	...	...	...	100⅜	100
Do., "C"	6	1932	5.73	...	...	...	100¼	...
Ont. Steel	6	1943	...	†103	...	...	...	...
Porto R. Pr.	5	1936	7.95	...	...	...	93	88
Steel of Can.	6	1940	4.98	...	...	...	107½	106¾
Wayagamack	6	1951	...	41	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	...	...	...	99½	98¾
Toronto								
Canada Bread	6	1941	6	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.98	104.75	105.50	....	108.15	103.75
Victory Loan	5½	1933	5.36	100.25	100.30	100.25	105.25	100.00
Do.	5½	1934	5.68	99.50	99.75	99.00	105.30	99.00
Do.	5½	1937	4.60	104.50	104.75	104.50	112.40	104.50
Do., refund	4½	1940	5.67	92.00	....	....	102.12	94.00
Do., refund	5	1943	5.40	96.50	97.25	96.75	106.50	96.75
Do., refund	4½	1944	5.54	90.50	....	....	102.25	92.50
Do., refund	4½	1946	5.47	90.50	....	....	102.45	94.00
Do., renewal	5½	1932	5.20	100.25	99.90	....	103.00	99.85
Conversion Loan	4½	1956	5.22	90.50	....	....	102.00	92.00
Do.	4½	1957	5.28	90.50	....	....	102.75	91.65
Do.	4½	1958	5.32	91.00	93.00	90.50	104.65	90.50
Do.	4½	1959	5.37	90.75	92.25	90.25	104.70	90.25
Nat. Service Loan	5	1936	5.65	98.25	....	....	98.85	98.85
Do.	5	1941	5.43	98.00	....	....	98.63	98.63

†Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

December 15, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.30	.60
Acadia Sugar pf.	2.25	...
Allens Coll. pf.	30.00	...
Allens Lond. pf.	30.00	...
Andian N. Corp.	21.00	26.00
B. C. Pulp & Paper c.	1.75	4.00
B. C. Pulp & Pap. 7% pf.	20.50	...
Can. Biscuit pf.	...	8.50
Can. & Dom. Sugar com.	16.50	19.00
Can. Machy. c.	5.25	7.25
Can. Machy. 7% pf.	23.00	33.00
Can. Packers c.	12.00	16.00
Can. Packers 7% pf.	82.00	91.00
Can. Starch pf.	70.50	...
Can. Tea pf.	58.00	...
Can. Wire & Cable pf. W. W.	88.00	95.00
Can. Celanese pf.	56.50	...
Can. Indus. c. 'A'	72.00	...
Can. Indus. c. 'B'	70.00	...
Can. Ind. 7% pf.	108.00	115.00
Can. Westingh.	50.00	55.00
Chase, A. W. Units	30.00	36.00
Cons. Oka Sand & Gravel pf.	56.00	...
Copeland Flour 6% pf.	6.00	11.00
Dodge Mfg. 'A' pfd.	5.00	...
Dodge Mfg. 'B' com.	1.00	...
Dom. Foundries & Steel pf.	51.50	57.50
Dom. Foundries & Steel com.	5.00	7.00
Dom. Manuf. pf.	71.00	...
Dunlop Tire 7% pf.	64.00	...
East. Car 6% pf.	41.00	...
Fed. Grain pf.	21.00	30.00
Goderich Elev. & Transit	14.00	16.00
Greening Wire 7% pf.	84.00	92.00
Guar. Realty pf.	35.00	41.00
Guelph Carpet Units	70.00	78.00
Harding Carp. pf.	...	56.00
Inter City Baking com.	40.00	50.00
Internat. Prop. 'A'	...	29.00
Loew's Lon. c.	.50	1.60
Loew's Lon. 7% pf.	3.00	5.00
M. & P. Stores pf.	...	94.00
Massey-H. pf.	11.50	17.00
Morrow Screw Nut 7% pf.	94.00	98.00
Mount Royal Hotel Scrip	.50	1.25
Mount Royal Hotel com.	1.25	2.50
Mount Royal Hotel 6% pf.	10.50	15.00
Nat. Grocers c.	.85	1.50
Nat. Grocers 2nd 7% pf.	40.00	48.00
Paramount Oshawa, com.	8.00	12.00
Prov. Paper pf.	...	70.00
Rolland Paper pf. W. W.	...	51.00
Standard Clay Products com.	10.00	25.00
Standard Fuel pf. bonus	58.00	65.00
Supertest Petrol. 'B' pf.	17.25	...
Toronto Brick pf.	40.00	60.00
Tor. Carp. com.	113.00	...
Tor. Carp. 8% pf.	98.00	...
Tor. Elev. 7% pf.	65.00	75.00
Tor. Hous. com.	20.00	30.00
United Amuse. 'A'	12.00	...
West. Grain pf.	21.00	26.00
Willards Chocolates pf.	30.00	40.00
Insurance Stocks:		
Br. Amer. Assce.	25.00	...
Can. Life Assur.	455.00	510.00
Can. Nat. Fire	19.00	26.00
Can. Fire Ins.	75.00	85.00

	Bid	Asked
Capital Life 20% pd.	10.00	15.00
Confederation Life 20% pd.	170.00	210.00
Continental Life 20% pd.	69.00	71.00
Crown Life	120%	160%
Dom. Fire	90.00	120.00
Dom. of Can. Gen. Ins.	170.00	205.00
Dominion Life 50% pd.	275.00	355.00
Excelsior Life 30% pd.	100.00	125.00
Federal Fire 25% pd.	23.00	...
Fidelity Insur. of Canada	...	74.00
Gr. West Life	370.00	415.00
Guarantee Co. of N. A.	239.00	...
Halifax Fire	12.00	16.00
Imperial Life	325.00	400.00
Manuf. Life	300.00	320.00
Monarch Life 10% pd.	18.00	25.00
National Life 25% pd.	110.00	...
Sask. Life 10% pd.	10.00	15.00
Sovereign Life 25% pd.	25.00	30.00
Sun Life Assur.	450.00	600.00
West. Assur. Co.	25.00	32.00
West. Life 20% pd.	7.25	...
Trust & Loan Stocks:		
Br. Mtge. & Tr.	155.00	...
Can. Gen. Investments Ltd.	4.00	6.00
Chartered Trust	97.50	107.50
Debenture & Sec. Com.	...	50.00
Debenture & Sec. pf.	...	58.00
Eastern Can. Sav. & Loan	122.00	137.00
Eastern Trust	135.00	155.00
Guelph & Ont. Inv. Par $50	50.00	57.00
Investment Founda'n Units	21.00	...
Lambton Loan & Savings	73.00	...
London & West. Trust	105.00	124.00
Midland Loan & Savings	17.50	...
Mtge. Disct. pf.	3.25	4.75
Mutual Finance pf.	3.00	5.50
Mutual Finance c.	3.00	5.50
Premier Trust	70.00	...
Security Loan & Savings	100.00	117.00
Sherbrooke Tr.*	108.00	...
Sterling Trust	...	90.00
Trad. Finance pf.	37.00	45.00
Trad. Finance c.	1.00	5.00
Trusts & Guar.	...	72.50
Victoria Trust & Savings	166.00	...
Waterloo Trust & Savings	115.00	130.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	97.50	100.50
Calgary Pwr. pfd.	76.00	81.00
Can. Light & Power c.	20.00	27.50
Can. West. Nat. Gas LH&P c.	33.00	....
Can. West. Nat. Gas LH&P pfd.	71.00	76.00
Great Lakes Pwr. pfd.	....	86.00
N.B. Pwr. 1st pf.	45.00	60.00
N.B. Tel. c.	10.00	14.00
N.S. L&P pfd.	70.00	....
Ottawa LH&P 6½% pfd.	....	103.00

Recent London Quotations:

Brewer Distillers	2s. 6d.
Can. & For. Sec.	7s. 6d.
Can. West. Lumber	1s. 9d.
Hudson's Bay	23s. 9d.
Do., 5% pfd.	65s.
Internat. Holdings	$1¼
Nfld. Pr. & Pap deb. stk.	95
Trust & Loan of Can. (15s. pd.)	5s.

Active Current Bond Prices

Week ending December 14

	Bid	Asked	Yield
Dominion of Canada 5½/33	99.75	101.75	4.55
Dominion of Canada 5½/34	99.75	101.75	4.87
Dominion of Canada 5/43	96.	98.	5.20
Dominion of Canada 4½/46	90.	93.	5.15
Dominion of Canada 4½/56	90.	93.	5.00
Dominion of Canada 4½/58	90.	93.	4.95
C. N. R. (Dom. of Can. Guar.) 5/54	93.	96.	5.30
C. N. R. (Dom. of Can. Guar.) 4½/51	89.	91.	5.25
C. N. R. (Dom. of Can. Guar.) 4½/55	92.	94.	5.20
C. N. R. (Dom. of Can. Guar.) 4½/56	89.	91.	5.15
C. N. R. (Dom. of Can. Guar.) 5/69	95.	97.	5.20
Province of Ontario 4½/44	90.75	92.75	5.25
Province of Ontario 5/48	95.	97.	5.25
Province of Ontario (Hydro) 4½/70	87.	89.	5.45
Province of Quebec 4½/56	90.	93.	5.00
Abitibi Power & Paper 5/53	38.	42.	11.45
Argentine, Govt., (Ser. B.) 6/58	51.	54.	.....
Beauharnois Power 6/59	57.	60.	10.05
Bell Telephone Co. of Can. 1st. 5/57	102.	106.	4.60
Brazil, U.S. of, Ext. S. F. 6½/57	17.50	19.50	.....
British Columbia Power 5/60	80.	85.	6.10
British Columbia Power 5½/60	86.	90.	6.25
British Columbia Telephone 5/60	87.	93.	5.50
Calgary Power 5/60	80.	85.	6.10
Calgary Brewing 5/42	98.	102.	4.40
Canada Cement, 1st. Mtge. S. F. 5½/47	90.	94.	5.80
Canada Gypsum Lime & Alabastine 5½/48	65.	70.	9.15
Canada Northern Power Corp., 5/53	78.	85.	6.25
Canada Steamship Lines, 1st. & Gen. 6/41	35.	45.	.....
C. P. R., Collateral Trust 5/54	82.	88.	5.95
C. P. R., Secured 4½/44 Notes	83.	87.	5.95
Chile Republic Ext. S. F. 6/60	10.	12.50	.....
Columbia, Rep. Ext. S. F. 6/61	23.	25.75	.....
Davies, William 6/42	85.	90.	7.40
Dominion Canners 6/40	100.	104.	5.45
Dominion Square Corporation 6/48	60.	70.	9.00
Dominion Tar & Chemical 6/49	75.	80.	8.12
Dominion Textile 6/49	100.	105.	5.55
Duke Price Power 1st. 6/66	90.	97.	6.20
Eastern Dairies, Ltd., Conv. 6/49	90.	98.	6.20
Eaton, T. Realty 5/49	85.	90.	5.90
Famous Players 6/48	65.	75.	9.00
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	70.	80.	8.12
Fraser Companies 6/50	35.	45.	.....
Gatineau Power, 1st. Mtge. 5/56	75.	80.	6.65
Gatineau Power, S. F. Debs. 6/41	70.	75.	10.00
General Steel Wares 6/52	35.	45.	.....
Howard Smith Paper Mills 5½/53	58.	65.	9.25
Harris Abbatoir 6/47	90.	95.	6.50
Manitoba Power, 1st. S. F. 5½/51	71.	78.	7.62
Maple Leaf Milling 5½/49	71.	78.	7.80
Massey Harris, 1st. Mtge. 5/47	66.	72.	8.30
MacLaren Quebec Power 5½/61	80.	86.	6.55
Montreal Coke, 1st. S. F. 5½/47	95.	100.	5.50
Montreal Island Power 5½/57	89.	96.	5.30
Montreal Light Heat & Power 5/51	100.	102.	4.85
Montreal Tramways 1st. Coll. Trust 5/41	90.	95.	5.65
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	77.	83.	6.40
Moodie, J. R. 6/48	90.	95.	6.50
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	60.	65.	9.50
Ottawa Valley Power 5½/70	89.	96.	5.75
Power Corporation of Canada 4½/59	65.	75.	6.45
Price Bros. 1st. S. F. Ser. A. 6/43	70.	75.	9.50
Quebec Power 1st. Mtge. Coll. S. F. 5/68	90.	95.	5.30
Shawinigan Water & Power 4½/70	85.	90.	5.10
Shawinigan Water & Power 5/70	97.	100.	5.00
Simpsons 6/49	77.	85.	7.50
Southern Canada Power 1st. 5/55	94.	102.	4.85
United Securities Coll. Trust 5½/52	88.	94.	6.00
West Kootenay Power 5/56	88.	94.	5.42
Windsor Hotel 6½/43	94.	100.	6.50
Windsor Hotel 6/47	88.	94.	6.60
Winnipeg Electric 5/35	92.	100.	5.00
Winnipeg Electric 6/54	63.	70.	9.20

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd., Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 April	80.07	6.00
Alberta	5	1 July, 1943	1 Jan.	91.53	6.00
Alberta	6	1 Apr., 1936	1 April	99.80	6.05
British Columbia	4½	1 Oct., 1953	1 April	84.69	5.75
British Columbia	5	15 Jan., 1948	15 Jan.	92.08	5.75
British Columbia	6	15 Aug., 1941	15 Feb.	101.50	5.80
Manitoba	4	1 July, 1947	1 Jan.	80.50	5.90
Manitoba	5	2 June, 1959	2 June	87.83	5.90
Manitoba	5	15 June, 1943	15 June	92.56	5.90
New Brunswick	4½	1 June, 1948	1 June	90.76	5.35
New Brunswick	4½	15 June, 1936	15 June	97.63	5.35
New Brunswick	6	1 Jan., 1936	1 Jan.	102.17	5.45
Nova Scotia	4½	15 Nov., 1948	15 May	90.59	5.35
Nova Scotia	5	1 May, 1943	1 May	97.02	5.35
Nova Scotia	6	1 Nov., 1936	1 May	102.38	5.45
Ontario	4½	1 Sep., 1944	1 Mar.	92.55	5.30
Ontario	5	15 Oct., 1948	15 April	96.67	5.30
Ontario	6	2 May, 1936	2 May	101.97	5.50
P. E. I.	4	1 Apr., 1939	1 April	90.88	5.50
P. E. I.	4½	1 Oct., 1944	1 April	90.80	5.50
Quebec	4½	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 April	86.19	6.05
Saskatchewan	5	1 Oct., 1950	1 April	88.24	6.05
Saskatchewan	6	1 Feb., 1936	1 Feb.	99.61	6.10
Cities					
Montreal	5	1 Sep., 1963	1 Mar.	93.94	5.40
Toronto	4½	1 Sep., 1954	1 Mar.	88.23	5.40
Vancouver	4	1 Aug., 1946	1 Feb.	80.40	6.00
Winnipeg	5	1 Mar., 1941	1 Mar.	90.88	6.05
Edmonton	5½	1 May, 1945	1 May	88.63	6.80
Calgary	5	1 Jan., 1943	1 Jan.	85.80	6.80
Halifax	6	1 July, 1951	1 Jan.	103.80	5.50
Saint John	5	15 Dec., 1950	15 June	94.15	5.50
Regina	5	1 June, 1940	1 Jan.	88.52	6.80
Victoria	5	21 July, 1945	21 Jan.	89.75	6.10
Quebec	5	1 June, 1948	1 June	98.35	5.15

FIRST DIVIDEND PAID TO CREDITORS NAT. DISTILLERIES

Payment of 20 Cents in Dollar is Distributed

From Our Own Correspondent

MONTREAL.—Creditors of National Distilleries Ltd., in liquidation, have received an interim dividend of 20 cents on the dollar. A statement of receipts and disbursements covering a period from January 1, 1931, to November 30, 1931, issued by C. G. Wallace, liquidator, shows a total of ordinary claims of $129,884, against which $25,976 has been distributed.

The dividend sheet shows that preferred claims totalling $5,095 have been paid out, while disputed or unadjusted claims amount to $17,778. The liquidator's statement shows a balance of $30,042 available to meet dividends on disputed claims, accounts payable and expenses.

Total receipts are shown at $783,196, of which inventory of liquors valued at $580,000 comprise the chief item. These stocks of liquor are pledged to the Bank of Montreal against a bank loan of a similar amount.

Other receipts include $54,378 from liquor sold; $112,000 from the sale of the company's Lachine plant, and $10,000 representing a payment on account of sale of the Winnipeg plant.

Among the disbursements, accounts paid covering freight, etc., and liquor in bond, duty, at St. Pierre et Miquelon totalled $37,828. The largest claims among the ordinary creditors was one of $30,697 by Dominion Glass Co.

Nothing Paid to Shareholders

National Distilleries was formed in 1927 and at the end of 1929 capital structure comprised $329,400 of seven per cent preferred stock and 83,000 shares of no par value common. No disbursement was ever made on either class of stock.

In January, 1931, the company was placed in liquidation. During the course of the year a group of larger distilling companies acquired control of the property, together with control of Sarnia Distilleries and Lindsay Distilleries.

From the interim statement released by the liquidator of National Distilleries it is evident that shareholders will receive nothing.

DOMINION CREDIT FIRM PREPARED TO DO BUSINESS

(Continued from page 9)

Manitoba Steel Foundries
Calgary Brewing & Malting Co.
Crane, Ltd.
Sherwin-Williams Co. of Canada
Cockshutt Plow Co.
Corporate Steel Products
Oldfield, Kirby & Gardner
Robert Simpson Co.
General Motors Corp.
Carnation Co.
Imperial Tobacco Co. of Canada
Henry Birks & Sons
Canadian Westinghouse Co.
Lethbridge Herald (Hon. W. A. Buchanan)
T. McAvity & Sons
Canada Dry Ginger Ale
Molson's Brewery, Ltd.
West Canadian Collieries
William Neilson, Ltd.
Canmore Coal Co.
Building Products, Ltd.
Calgary Power Co.
Canadian Marconi Co.
Carter, Halls Aldinger Co.
Quaker Oats Co.
Ogilvie Flour Mills Co.
National Steel Car Corp.
Canada Cement Co.
Canadian Car & Foundry Co.
Simmons, Ltd.
Steel Co. of Canada
Southam Publishing Co.
Bulman Bros., Ltd.
Bennett & White Construction Co.
Tucket Tobacco Co.
Canadian Industries, Ltd.
Canadian Cottons, Ltd.
Central Creameries, Ltd.
Algoma Steel Corp.
Belding-Corticelli, Ltd.
Northern Electric, Ltd.
Dominion Tar & Chemical Co.
T. H. Estabrooks Co.
National Breweries, Ltd.
Dominion Bridge Co.
Crow's Nest Pass Coal Co.
Hamilton Bridge Co.
International Paints (Canada)
Western Canada Flour Mills Co.
Dominion Glass Co.
James Richardson & Sons, Ltd.
Sun Life Assurance Co.
Toronto General Trust Corp.
National Trust Co.
Royal Trust Co.
Montreal Trust Co.
Trusts & Guarantee Co.
Crown Trust Co.
Consolidated Mining & Smelting Co.
West Kootenay Power & Light Co.
International Harvester Co.
Great West Life Assurance Co.
London Life Assurance Co.
Imperial Life Assurance Co.
North American Life Assurance Co.
Continental Life
Ontario Equitable Life & Accident Insurance Co.
Saskatchewan Life Assurance Co.
Montreal Life
Canada Permanent Mortgage Corp.
Central Canada Loan & Savings Co.
Real Estate Loan Co. of Canada
Ontario Loan & Debenture Co.
Canada Permanent Trust
Dominion Rubber Co.
Evans, Coleman & Evans, Ltd.
Waterloo Trust & Savings Co.
Canada Trust Co.
Huron & Erie Mortgage Co.
Dominion Life
Home Investment & Savings Assoc.
Canada Life Assurance Co.
Mutual Life Assurance Co.
Manufacturers Life Assurance Co.
Confederation Life Assurance Society

BRITISH BONDS SOUND; FRENCH AT PREMIUM; GERMANY'S DOWN

(Continued from page 9)

so? This is, of course, another question, and is a logical one in view of all the pessimistic stories in the press regarding Germany's current finances. It is, however, more of a political than an economic question, since it is plain that Germany can pay the interest on her bonds under certain conditions. To get at the root of the problem, let us apply the proper tests.*

Rising Tide of Hitlerism

It is commonly assumed that the German people are a stolid, plodding race, slow to change their habits, and jealous of their traditions. Recent political developments serve to prove, however, that even the least inflammable of masses are masses none the less, and, as such, are the prey of the energetic demagogue. Hitler is said to have the support of half the voters of Germany. Hitler is the Mussolini of Germany—an inexperienced politician with no historical background, anxious only to lead the masses into a new era of economic freedom. Unless the rising tide of Hitlerism is halted, Hitler will be the political leader of Germany within a few months.

When we seek to learn the character of the German people—particularly with reference to their good faith toward obligations—we must appreciate the significance of political upheaval. It may or may not alter the traditional code of honor. Hitler has stated emphatically that if he rises to power, he will meet all obligations of a private nature. Not, of course, reparations, for repudiation of reparations is the chief plank in his platform, but the service on the funded debt is to be met punctually. If the present situation in Germany were purely political, if it were not complicated by serious financial difficulties, what value would we place on German bonds? It is safe to say that they would be at much higher levels, and it is more than likely that, from the standpoint of good faith, the service on the external bonds would be paid.

Debt Record of Germany

Germany, like France, travelled the road of increasing inflation subsequent to the War, and found it necessary, as a result, to repudiate its debts. A settlement was made with all creditors, however, and everything was done to maintain the clean record of German credit. There is nothing in the history of the country's financial operations to suggest that repudiation of debt is likely to be resorted to.

Nation's Economic Status

Fundamentally, the economic position of Germany is sound. She has vast natural resources — greater than France or other European countries. She has large resources of iron, coal, lignite, and at the same time possesses important agricultural areas. The resourcefulness of her people is not the least of her assets, and has been a tremendous factor in developing her trade and industry. Germany is, to some extent, dependent upon other nations for food; and imports raw materials in many lines for manufacture at home and resale abroad as finished products. Steel, machinery, textiles and chemicals are the chief products of German industry. Although the War adversely affected German industry and trade, remarkable strides have been made toward complete recovery of her former important position. Production in some lines now exceeds the pre-war level. Shipping was, before the War, a profitable phase of her industry, and in spite of the complete loss of her merchant marine after the War, she has regained, to a large extent, her position on the trade routes of the world. The "Bremen" holds the record for the trans-Atlantic crossing, which symbolizes the return of German shipping to its place of importance.

Trade and Currency

Before the War, German trade usually resulted in a small import surplus offset by invisible items such as tourist expenditures, shipping returns, etc. Her balance of payments was favorable. The heavy debt, part of it external, and the annual payment of reparations has, however, necessitated a much more favorable trade balance, if such payments were to be met. While German industry has been recuperating rapidly, it is only recently that exports have exceeded imports to a degree which would make annual debt charges and, even a part of reparations, possible. From 1924 (the year of the Dawes Plan) until 1929, payments were made from borrowed money. This could not last, and today it is realized that debts and reparations can only be met if Germany has a large favorable balance of payments.

It is estimated that exports in 1931 will exceed imports by about $700,000,000, making it possible to transfer German funds to this extent into foreign currencies. This large export surplus has been created only by the greatest efforts on the part of the German people, and by the most stringent economy in the purchase of imported goods.

The German mark was stabilized at $0.2382 in 1924, and has held close to this rate since that time. Heavy foreign obligations have forced the withdrawal of gold to maintain the currency at par, so that the gold reserve of the Reichsbank is now at a low point (only about 15 per cent) thereby causing considerable concern as to the ability of Germany to remain on the gold standard. If the current discussions concerning reparations and debts tend toward a broad view of the problem, it seems quite reasonable to expect that all reasonable payments can be met promptly.

Financial Condition

In recent years, the German budget has been balanced as in prewar years. In 1931, no doubt, in common with nearly all other countries, there will be a heavy deficit—between $240,000,000 and $300,000,000. This deficit is not in itself alarming, provided the changing of political horses in mid-stream does not prevent the necessary steps to meet the deficit from being taken. The most serious financial problem facing the country is the heavy debt (including reparations) and more particularly the large short-term debt which is now due, but which cannot be paid.

The pre-war debt of Germany amounted to about $19 per capita. In 1931, it aggregates nearly $800 per capita. A very large part of the debt has been incurred since 1924, in order to meet reparations payments under the Dawes and Young Plans. The total debt is approximately $5,000,000,000 of which half is short-term, or floating debt. In addition to this, Germany, under the Young Plan, was to make reparations payments of about $500,000,000 per annum. The problem is briefly this: How can Germany repay or renew the huge short-term debt, and at the same time pay interest on the foreign debt and reparations? Obviously, with even $700,000,000 of foreign exchange available each year, all foreign creditors cannot be paid. Who is going to suffer? That is the question now being determined at the conference of foreign creditors in Berlin, and by the Committee of the Bank for International Settlements at Basle.

If France insists upon the payment of reparations before all other charges, it is quite possible that a breakdown in Germany's credit structure will take place, with defaults on the foreign bond issues a necessity. It is hoped, however, that a saner and broader viewpoint will prevail, and that Germany's credit will be maintained, first through prompt interest payments, and following that, the payment of as much reparations and repayment of as much short-term loans as can be made under present conditions. Service on Germany's foreign loans is about $400,000,000 annually. This leaves about $300,000,000 (for 1931) available for repayment of short-term loans and reparations. Under the Young Plan, unconditional reparations amounted to $157,000,000 annually. Thus only $143,000,000 of short-term loans could be repaid. This is better than no repayment at all, which would probably be the only alternative. Surely, Germany's creditors will effect a compromise in their own interests, and if they do, the present crisis will be over. Germany herself is willing to pay, but her creditors have expected more than was physically possible.

Political Stability

It has already been mentioned that the political scene in Germany may change suddenly. If it does, it will probably change without bloodshed or other revolutionary accompaniments. Fascism in Italy has not been unfavorable to foreign creditors, and with a much more solid people, Germany is even less likely to allow extreme measures to take the place of sensible administration. Hitlerism may lead Germany, but Germany will retain her respect for constitutional as opposed to autocratic government. At least, one is forced to hold this view by the record of the country in the past.

Nearly every day, we read that "Germany is on the verge of bankruptcy" or "Revolution is Imminent in Germany" and, in a sense, this is true. But if bankruptcy comes, it will be forced upon her by her creditors, and if a revolution takes place, it may not necessarily be an unfavorable development. As stated previously, Germany is fundamentally sound, and has made a spectacular recovery. Left to work out her own problems, she will, undoubtedly, continue her progress toward complete rehabilitation. If there is a scaling down in reparations and a lenient attitude taken by her short-term creditors, Germany may pay her bondholders 100 cents on the dollar. At any rate, it is felt by good authorities that there is better than a 50-50 chance of her doing so, whereas the market for her bonds is saying that there are only three chances in ten of solvency.

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* These tests were outlined in The Financial Post, December 5.

Canadian Quotations—Cont'd

Winnipeg Grain Prices

Week to December 15

Crop Year from Aug. 14 High	Low		Open Dec. 9	High for week	Low for week	Close Dec. 15
		Wheat				
.72¾	.51½	December	.58⅞	.61⅝	.56¾	.61½
.76½	.55⅛	May	.62¾	.65⅝	.60⅝	.65¼
.77⅛	.61¼	July	.63⅝	.66⅛	.61⅜	.66
		Oats				
.36½	.25⅝	December	.30¾	.31⅛	.29¾	.31
.38	.28	May	.33½	.33⅞	.32½	.33¾
.37½	.33	July	...	.34¼	.33½	.34¼
		Barley				
.45½	.28⅛	December	.37½	.38⅜	.36½	.38⅜
.47¾	.32¼	May	.39¾	.40⅞	.38½	.40⅞
.45¼	.38¼	July	.39½	.40⅝	.38¼	.40½
		Flax				
1.27	.92½	December	.99	1.01	.97¼	1.00¾
1.21	.97½	May	1.04	1.06¼	1.02¾	1.06
1.16½	1.00½	July	1.04	1.07⅛	1.03	1.07
		Rye				
.56	.32½	December	.41½	.44⅝	.39	.44½
.59⅛	.32½	May	.45½	.48	.42½	.48
.59	.43⅜	July	.46⅛	.48⅝	.43⅜	.48½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of December 15

High to date	Low		Close Dec. 8	High for week	Low for week	Close Dec. 15
		Wheat				
.70½	.49	December	.51	.54	.49	.50
.72	.55¼	May	.57⅞	.57⅝	.55¼	.56⅞
.60⅝	.56¼	July	.58½	.57½	.56¼	.57½

†Since trading opened March 3.

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
December 9	20 3-16	19 1-2	1-32	1-64
December 10	20	19 5-8	7-64	1-32
December 11	20 7-8	19 3-4	3-16	3-32
December 12	22 1-2	21	1-8	7 64
December 14	24 1-4	22 1-2	9-64	1-8
December 15	25	23 1-2	5-32	9-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
December 9	3.29 1-2	3.92 1-16	5.15 1-4
December 10	3.30 1-2	3.92 15-16	5.15 1-4
December 11	3.32 1-2	3.92 13-16	5.15 3-4
December 12	3.39 1-4	3.92 7-16	5.15 1-4
December 14	3.45 1-2	3.92 5-16	5.14 3-4
December 15	3.44 1-2	3.92 3-16	5.12 3-4

FOREIGN EXCHANGE

Par		Dec. 1	Dec. 8	Dec. 15
5.26	Italian	5.97¾	6.14¾	6.38¾
23.80	German	27.60½	28.11¾	29.72¾
18.90	Belgian	16.07	16.66	17.30
49.80	Japanese	57.54	59.66	53.59

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Mining Stock Quotations

Week ending December 14

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close Dec. 7 (or last)	High for week	Low for week	Close Dec. 14
1	.23	.02½	Abana	6,400	.04	.04	.03½	.04
1	.03	.01	Aconda	.....	.01	.....	.....	.....
1	.05½	.03½	Adrien	.....	.04½	.....	.....	.....
No	.50	.12	Aldermac	.....	.25	.....	.....	.....
1	.20½	.06½	Alexandria	4,000	.09½	.07½	.06½	.06½
1	.05	.00½	Algonquin	5,000	.00½	.00½	.00½	.00½
1	.02½	.01	Amity C.	.....	.01½	.....	.....	.....
No	.45	.12	Amulet	16,400	.20	.20½	.18	.18
1	.02½	.00½	Apex	.....	.00½	.....	.....	.....
1	.05	.01	Area	2,000	.01½	.01½	.01½	.01½
1	.01	.00½	Argo. Cons.	.....	.01	.....	.....	.....
No	.08½	.01½	Arno	23,000	.02	.02½	.01½	.01½
1	.01½	.01	Astoria	.....	.01	.....	.....	.....
1	.02	.00½	Atlas	.....	.00½	.....	.....	.....
1	.08½	.03	Bagamac	9,400	.05	.04	.03½	.03½
1	.02½	.00½	Baldwin	.....	.00½	.....	.....	.....
1	.19½	.08	Barry Hollinger	15,500	.09½	.09½	.08	.08½
No	1.45	.75	Base Metals	3,100	.97	.93	.85	.90
No	.04	.00½	Bathurst	.....	.03	.....	.....	.....
5s	1.75	.60	B'Wana McKubwa	.....	1.00	.....	.....	.....
1	.28	.26	Ben Nevis	.....	.27	.....	.....	.....
No	.37½	.11	Bidgood	21,450	.14½	.14	.11½	.11½
1	.50	.08	Big Missouri	12,200	.15	.15	.13	.13
1	.05½	.04½	Blue Quartz	.....	.04½	.....	.....	.....
1	.12	.01½	Bobjo	5,500	.02½	.02½	.02½	.02½
1	.01	.00½	Boischatel	.....	.01	.....	.....	.....
1	.12	.01	Brett Trethewey	12,000	.08	.08	.08	.08
1	.08	.03	Brit. Canadian	.....	.03	.....	.....	.....
No	.12	.02½	Brownlee	19,300	.03½	.04	.02½	.02½
1	.02	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.30	.19	Buffalo Can.	24,600	.26½	.30	.24	.24½
No	.08½	.02	Bunker Hill	.....	.02½	.....	.....	.....
No	.03	.01	Cal. Flin Flon	.....	.01	.....	.....	.....
1	.04	.01	Cambro Kirk	.....	.04	.....	.....	.....
No	.05½	.02	Canam Metals	.....	.02	.....	.....	.....
1	.06½	.01	Can. Kirkland	18,000	.03½	.03	.02	.02
1	.02	.02	Can. Lorraine	.....	.02	.....	.....	.....
1	.32½	.07	Canusa	23,600	.10	.12	.07	.08
1	.04½	.00½	Capital Rouyn	25,500	.00½	.01½	.01	.01½
1	.30	.15	Castle Trethewey	5,900	.19	.18	.17	.18
1	.23	.03	Cen. Manitoba	3,200	.08	.08	.07	.07
1	.17	.05	Cen. Patricia	2,700	.07	.07	.06½	.07
1	.03	.01½	Champion R.	.....	.02½	.....	.....	.....
No	.59	.02	Chib. Prospect.	39,000	.10	.11½	.09	.09
No	.08	.00½	Clericy	6,000	.01½	.01½	.01½	.01½
5	10.50	2.50	Coast Copper	495	3.00	3.00	2.00	3.00
1	.05½	.01	Cobalt Contact	16,000	.02	.02	.01½	.02
1	.02	.00½	Col. Kirkland	.....	.01½	.....	.....	.....
1	.39	.05	Columario	5,500	.08½	.08	.07½	.07½
5	1.50	.50	Coniagas	.....	1.00	.....	.....	.....
No	.62	.25	Coniaurum	500	.30	.30	.30	.30
25	188.25	64.00	Cons. Smelters	2,020	75.00	75.00	66.00	68.50
1	.40	.15	Cons. Venus	.....	.40	.....	.....	.....
1	.01	.00½	Corona	.....	.00½	.....	.....	.....
1	.02½	.00½	Crown Reserve	.....	.01	.....	.....	.....
No	.21	.03	Dom. Explorers	25,000	.06½	.07	.06	.06½
1	.03	.00½	Dom. Kirkland	.....	.00½	.....	.....	.....
No	13.40	8.00	Dome Mines	6,175	10.00	10.00	8.90	9.05
1	.01	.00½	Don Rouyn	.....	.01	.....	.....	.....
No	.33	.30	Donald Woolsey	.....	.30	.....	.....	.....
1	.01	.00½	Dunkin	.....	.00½	.....	.....	.....
1	.02½	.00½	Duprat	.....	.01½	.....	.....	.....
1	1.68	.20	Eldorado	11,800	1.00	1.01	.95	.95
No	1.70	.99	Falconbridge	4,028	1.05	1.50	1.00	1.00
1	.08½	.02	Federal	13,000	.04	.04½	.04	.04½
No	.01½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.30	.06	Gem Lake	7,500	.07	.09	.07½	.08½
No	.04½	.01½	Gilbec	.....	.02	.....	.....	.....
1	.08	.02½	Goldale	2,500	.03½	.02½	.02½	.02½
10	.25	.08	Goldfield	.....	.15	.....	.....	.....
1	.01½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.11	.02½	Goodfish	.....	.04	.....	.....	.....
1	.04	.00½	Graham	.....	.01	.....	.....	.....
1	2.30	1.10	Granada	19,520	1.41	1.42	1.15	1.15
1	.15	.06	Grozelle	300	.15	.14	.14	.14
1	.03	.01	Harker	1,000	.01½	.01½	.01½	.01½
	.39	.31	Harvey	.....	.35	.....	.....	.....
1	.08½	.07½	Hayden	.....	.08	.....	.....	.....
No	.30	.29	Halliwell	.....	.28	.....	.....	.....
1	.05	.00½	Hilltop	84,000	.01½	.02	.01½	.01½
5	8.70	4.60	Hollinger	8,285	5.95	5.95	5.25	5.25
1	.40	.20	Howey Gold	9,300	.32	.33½	.30	.32
No	6.30	2.00	Hudson Bay	2,620	3.00	3.05	2.55	2.80
No	.40	.20	Huronian	.....	.20	.....	.....	.....
No	20.50	8.12	Int. Nickel	22,412	10.00	10.12	9.00	9.00
1	.03	.00½	Jackson Manion	5,000	.01½	.01½	.01½	.01½
1	.35	.21	Keeley	700	.21	.25	.25	.25
1	.04½	.00½	Keora M.	.....	.01	.....	.....	.....
1	1.00	.27½	Kirk. Hud. Bay	1,150	.85	.85	.85	.85
1	.03	.00½	Kirk. Hunton	14,500	.01	.01	.00½	.01
1	.93	.39½	Kirkland Lake	26,200	.52½	.53	.39½	.40
1	.08	.01	Kirk. Premier	7,300	.02½	.02	.01½	.01½
1	.25	.05½	Kirk. Townsite	22,500	.15	.15½	.14	.14
20c	.02½	.00½	Koot. Florence	12,500	.01	.01	.00½	.00½
1	.02	.00½	La Rose	.....	.01	.....	.....	.....
1	.69	.38	Lakeland	100	.42	.45	.45	.45
1	29.95	20.00	Lake Shore	6,828	28.00	28.10	26.40	26.50
1	.02	.00½	Laval	.....	.00½	.....	.....	.....
1	.04	.01½	Lebel Oro	.....	.02	.....	.....	.....
No	.35	.35	Locarno	.....	.35	.....	.....	.....
1	.55	.10	Macassa	92,200	.44½	.48	.40	.40
1	.12	.02	Malartic	1,500	.05½	.03½	.03½	.03½
No	.15	.06	Mandy	.....	.07	.....	.....	.....
No	.06	.01	Manitoba Basin	6,000	.01½	.01½	.01½	.01½
1	.55	.20	McKinley	.....	.35	.....	.....	.....
5	26.50	13.95	McIntyre	4,140	19.00	19.00	16.75	17.25
No	.33	.06	McLeod River	76,500	.08	.08½	.06½	.08
1	.04	.04	McVittie	.....	.04	.....	.....	.....
1	.29	.03	MacMillan	3,000	.10	.10	.10	.10
1	.01½	.00½	Millcrest	.....	.01	.....	.....	.....
No	2.84	1.15	Mining Corp.	4,425	1.44	1.43	1.15	1.25
1	.34	.01	Moffatt Hall	154,100	.08	.09½	.07	.09½
1	.04	.02½	Moneta	3,500	.03	.03	.03	.03
1	.00½	.00½	Mtl. Rouyn	.....	.00½	.....	.....	.....
1	.63	.20	Moss	25,300	.35	.34	.27	.27
1	.09	.01	Murphy	500	.02	.02	.02	.02
No	.07½	.02	Newbec	3,200	.03½	.03	.03	.03
1	.40	.25	Nevada	.....	.25	.....	.....	.....
1	.09	.02	Night Hawk	.....	.03	.....	.....	.....
5	1.90	.80	Nipissing	2,500	1.20	1.13	1.10	1.11
No	29.65	11.75	Noranda	29,369	17.20	17.30	15.00	15.25
No	.50	.18	Nor. Canada	1,300	.30	.25	.18	.18
No	.03	.00½	Old Colony	.....	.00½	.....	.....	.....
1	.01	.00½	Ophir	2,000	.00½	.00½	.00½	.00½
1	.10½	.02½	Oriole	1,000	.02½	.02½	.02½	.02½
1	.21	.07	Osisko	3,000	.10	.10	.10	.10
1	.25	.20	Parkhill	.....	.24	.....	.....	.....
1	.15	.07	Patricia Dent	7,000	.10	.11½	.10½	.11
1	.05	.01½	Pawnee Kirk	2,000	.02½	.02½	.02	.02
No	1.61	.60	Pend Oreille	900	.95	.95	.90	.90
1	.04½	.00½	Pete. Cobalt	13,000	.01½	.02	.01½	.01½
	.25	.18½	Phoenix Molybd.	.....	.25	.....	.....	.....
1	.01½	.00½	Picard	.....	.00½	.....	.....	.....
1	.02½	.00½	Porc. Crown	.....	.00½	.....	.....	.....
1	.03	.00½	Potter Doal	46,000	.02½	.02½	.02	.02
1	.45	.30	Powell Rouyn	.....	.30	.....	.....	.....
1	.99	.40	Premier Gold	5,850	.63	.65	.60	.60
1	.02½	.00½	Preston E. Dome	.....	.00½	.....	.....	.....
	.29	.22	Prospectors Air's.	500	.29	.22	.22	.22
No	.25	.07	Quemont	47	.08	.10	.10	.10
1	.06	.00½	Ribago	62,500	.01½	.01½	.01½	.01½
1	.34	.24	Rich. Rock	.....	.33	.....	.....	.....
1	.15	.01½	Ritchie	.....	.02	.....	.....	.....
1	.04	.00½	Robb Montbray	.....	.01½	.....	.....	.....
1	.05	.04	Rubec	.....	.04	.....	.....	.....
No	.45	.25	San Antonio	233	.37	.40	.39	.40
1	.21	.10	Seven Troughs	.....	.10	.....	.....	.....
1	1.25	.40	Sherritt Gordon	10,077	.62	.68	.53	.58
1	.71	.36	Siscoe	73,440	.54	.54	.45	.46
1	.18	.02	South Keora	1,100	.03	.03½	.03	.03½
No	.05	.01	Stadacona	19,500	.01½	.01½	.01½	.01½
1	.20	.03½	St. Anthony	3,200	.08	.10	.08½	.10
No	.82	.35	Sudbury Basin	4,250	.45	.45	.38	.38
1	.03	.01	Sudbury Contact	.....	.01½	.....	.....	.....
1	.03½	.00½	Sudbury Mines	3,000	.00½	.00½	.00½	.00½
No	.04½	.01	Sudbury Nickel	.....	.03½	.....	.....	.....
1	.19	.07	Sullivan	1,000	.11	.10	.09	.10
1	1.14	.48	Sylvanite	13,350	.63	.63	.55	.57
1	.20½	.04	Tashota	12,000	.10	.10½	.07	.07
1	8.65	4.65	Teck Hughes	41,250	5.15	5.20	4.75	4.80
1	.10½	.01	Telluride	.....	.01	.....	.....	.....
1	.01½	.01	Temiskaming	.....	.01½	.....	.....	.....
1	.06½	.02½	Thom. Cad'c.	2,500	.04	.02½	.02½	.02½
1	.02½	.00½	Tough Oakes	.....	.01	.....	.....	.....
1	.63	.17	Towagmac	.....	.25	.....	.....	.....
No	2.65	.95	Treadwell	410	1.25	1.10	1.00	1.00
No	2.85	2.40	Tri-Metals	.....	2.85	.....	.....	.....
1	.15	.04	United Kirkland	5,500	.08	.08	.06½	.08
1	.03	.01	Vacuum Gas	.....	.01	.....	.....	.....
No	.86	.35½	Ventures	30,320	.46½	.47	.41	.43
1	.19	.01½	Vickers	3,000	.18	.18½	.15	.15
1	1.22	.37	Vipong	13,615	.50	.48	.37	.40
No	2.00	.90	Waite Ackerman	.....	1.00	.....	.....	.....
1	.02½	.01	West Tree	.....	.01	.....	.....	.....
1	.27	.03½	White Lake	2,000	.04½	.02	.04½	.04½
1	.06	.01½	Wiltsey	.....	.01½	.....	.....	.....
No	.01½	.00½	Windfal R.	.....	.01	.....	.....	.....
	.13	.03½	Wood Kirk	.....	.04	.....	.....	.....
No	3.25	1.85	Wright-Hargreaves	27,615	2.99	3.00	2.70	2.70
			WESTERN OIL STOCKS					
1	.30	.12	Acme	11,600	.15	.15½	.13	.13
1	.37½	.05	Alta. Pacific	1,911	.10	.14	.10	.14
1	.08	.07	Amalgamated	.....	.08	.....	.....	.....
	.01	.01	Askalta	1,000	.01	.01	.01	.01
No	.25	.04	Associated	300	.05½	.07	.07	.07
1	1.89	1.00	Ajax	12,650	1.15	1.14	1.00	1.02
No	.12	.02	Baltac	75	.03	.03	.03	.03
1	.07	.02	Black Diamond	.....	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	20	.05½	.05	.05	.05
1	.32	.03	Calmont	15	.06	.06	.06	.06
No	.82	.20	Calgary & Ed.	150	.40	.40	.36	.36
1	.47	.06	Comm. Pete.	200	.09	.10	.10	.10
No	.29½	.26½	Crudome	.....	.28½	.....	.....	.....
No	.60	.12	Dalhousie	500	.25	.22	.20	.20
No	.08	.01½	Devenish	.....	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	1,250	.03	.02½	.02½	.02½
No	.69	.05	East Crest	200	.14	.12½	.12½	.12½
1	.05	.00½	Fabyan Pete	5,000	.02½	.03	.03	.03
No	.60	.05	Foothills	120	.20	.10	.05	.10
No	.18½	.02	Freehold	500	.04	.04½	.04½	.04½
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.17	.03	Hargal	300	.03½	.03½	.03½	.03½
No	.10	.03	Herron Pete	.....	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	1,000	.05	.05	.05	.05
No	2.00	.30	Home	550	.46	.46	.40	.40
No	.22	.02½	Homestead	280	.05	.04½	.04½	.04½
1	1.70	.35	Homest'd O. & G.	7,800	.65	.65	.40	.45
	.10	.09	Hylo	.....	.09	.....	.....	.....
1	.08½	.00½	Illinois Alta.	9,700	.01	.01	.00½	.00½
No	.70	.10½	Lowery	.....	.18	.....	.....	.....
1	.05	.00½	Madison	4,350	.01½	.01½	.01½	.01½
1	.85	.12	Mayland	900	.15½	.16	.16	.16
No	.11	.02½	McD. Segur Ex.	1,600	.04	.03½	.03½	.03½
1	.29	.01½	McD. Segur N.	20	.04	.04	.04	.04
1	.72½	.25	McLeod	600	.56½	.55	.49	.50
No	.39	.07½	Mercury	20,325	.10½	.10½	.08½	.08½
No	.20	.04	Merland	2,900	.07	.08½	.06½	.08½
No	.38	.08	Mill City Pete.	620	.09	.11	.11	.11
1	.49	.11	Model	100	.16	.17	.16	.17
1	.18	.02	Monalta	.....	.07	.....	.....	.....
1	.31	.05	Moose Mountain	.....	.05	.....	.....	.....
1	.04	.00½	New Federal	50	.01	.00½	.00½	.00½
No	.56	.13	Nordon	115,350	.16	.19	.14	.15
No	.11	.02	Oil Selection	15,000	.04½	.04½	.03½	.03½
No	.28	.03	Okalta	2,000	.07	.06½	.05½	.05½
100	27.00	8.00	Do., Pref.	.....	9.00	.....	.....	.....
No	.24	.05	Olga Gas & Oil	24,000	.23	.22	.16½	.16½
1	.37½	.17	Petrol	500	.20	.21	.21	.21
No	.28	.01	Penn. Pete.	7,500	.02	.02	.01½	.01½
No	.25	.07	Ranchmen's	350	.07	.09	.08½	.09
1	.05	.01	Regent	.....	.01	.....	.....	.....
No	.13	.01½	Richfield	400	.03	.02½	.02½	.02½
No	17.75	5.00	Royalite	632	7.00	7.25	6.00	6.00
1	.82	.10	Sarnia Oil	6,000	.13	.17	.13	.17
1	.06½	.01	Signal Hill	500	.03½	.03	.03	.03
No	.27	.06	South West Pete.	150	.10	.06	.06	.06
1	.60	.12	Spooner	.....	.18	.....	.....	.....
No	.19	.04½	Sterling Pacific	600	.08½	.09	.07	.09
1	.15	.15	Turner Basin	.....	.15	.....	.....	.....
1	.16	.05	Turner Valley	.....	.05	.....	.....	.....
No	.31	.05	United	2,200	.08½	.08	.07	.07½
1	.15½	.05	Vulcan	600	.15	.13	.12	.12
No	.05	.00½	Wainwell	1,600	.01	.01	.00½	.00½
1	.28	.08	Waite Valley	.....	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to December 9)					
25c	.01	.00½	Bayview	.....	.00½	.....	.....	.....
[illegible]	.07½	.01	Beaver Silver	1,000	.05	.03½	.03½	.03½
25c	.06	.00½	Bluebird	.....	.04	.....	.....	.....
25c	.80	.40	B. C. Silver	.....	.80	.....	.....	.....
25c	.02	.00½	Cork Province	.....	.01½	.....	.....	.....
1	.29	.06	Cotton Belt	1,500	.09½	.09	.06	.06
1	.03	.02	Dalhousie	.....	.02½	.....	.....	.....
1	.03	.02	Dunwell	.....	.02½	.....	.....	.....
1	.10	.02	Duthie	.....	.02½	.....	.....	.....
1	.90	.39	George Copper	.....	.50	.....	.....	.....
50c	.05	.01	Geo. Enterprise	.....	.02	.....	.....	.....
1	.05	.01½	Georgia River	13,500	.02½	.03½	.03	.03
1	.45	.17	Golconda	300	.25	.25	.25	.25
50c	.10	.03	Grandview	2,750	.05½	.05½	.05	.05½
No	27.50	17.00	Howe Sound	.....	21.25	.....	.....	.....
1	.17½	.09	Intern. Coal	1,000	.12	.11	.11	.11
1	.02	.01	Independence	.....	.01	.....	.....	.....
1	.02	.01	Indian Mines	.....	.02	.....	.....	.....
1	.43	.22	Jack Waite	60	.28	.25	.25	.25
25c	.02	.00½	Kootenay King	.....	.01	.....	.....	.....
25c	.02	.00½	L. & L.	.....	.02	.....	.....	.....
1	.12½	.06	Lorne Gold	59,525	.08½	.10½	.08½	.10½
1	.12	.12	Los Ang. Van.	.....	.12	.....	.....	.....
10c	.05	.01½	Lucky Jim	.....	.04	.....	.....	.....
50c	.01	.00½	Marmot Metals	.....	.00½	.....	.....	.....
1	.05	.01	Morton Woosley	.....	.03	.....	.....	.....
50c	.05½	.01	National Silver	10,500	.03	.02½	.02	.02
50c	.10½	.04	Noble Five	6,000	.06½	.06½	.06	.06
50c	.12½	.02	Oregon Copper	.....	.02½	.....	.....	.....
1	2.90	1.23	Pioneer Gold	16,155	2.60	2.90	2.70	2.85
No	.02	.00½	Premier Border	.....	.01	.....	.....	.....
50c	.13	.03	Porter Idaho	1,100	.07½	.07½	.07	.07½
No	.55	.20	Reeves McDonald	200	.32	.31	.30	.30
1	.28	.11	Reno Gold	7,100	.20	.22	.20	.22
1	.04	.01½	Rufus Argenta	.....	.02	.....	.....	.....
1	.09	.02½	Ruth Hope	.....	.05	.....	.....	.....
1	.07½	.03	Silverado	.....	.04	.....	.....	.....
25c	.04½	.00½	Silver Crest	.....	.02½	.....	.....	.....
50c	.05	.00½	Snowflake	.....	.02	.....	.....	.....
1	.45	.25	Sunloch	.....	.25	.....	.....	.....
50c	.02½	.01	Topley Rich	.....	.02	.....	.....	.....
5	.20	.05	Toric	.....	.05	.....	.....	.....
20c	.01	.00½	Wellington	.....	.01	.....	.....	.....
1	.08	.02	Whitewater	.....	.05	.....	.....	.....
No	.03½	.00½	Woodbine	5,000	.01	.00½	.00½	.00½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.65	Noranda	50c.	3.27
Dome Mines	$1	11.04	Premier	12c.	....
Granby	$1	....	Pioneer, B.C.	12c.	4.21
Hollinger	65c.+5	13.33	Royalite	50c.	....
Howe Sound	$2	....	Spooner Oils	6c.	....
Inter. Nickel	20c.	2.22	Sylvanite	4c.	....
Lake Shore	$2+50c.	9.43	Teck Hughes	60c.+5	13.54
McIntyre	$1	5.79	United Oils	5c.	....
McLeod Oils	5c.	....	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har.	10+2½c.	4.63
Model Oils	9c.	....			

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Canadian Mining News

N.A.M.E. REPORTS WILL CONCENTRATE ON DEVELOPMENT

Aeroplanes to Be Sold Since Now Cheaper to Hire

FUNDS ARE LOW

Season's Work Extended — Bornite Find at Dismal Lakes, to Drill Next Year

Annual report of Northern Aerial Minerals Exploration Ltd., for the year ended October 31, last, says exploration in 1931 was carried on only in the Northwest Territory and since commercial flying has been extended to all parts of Canada it is in the best interests of economy to dispose of the company's flying equipment.

John E. Hammell, president of the company, in commenting on the activities, said:

"I believe we have justified our existence and accomplished what we set out to do. We have made discoveries and acquired a great deal of promising ground in the Coppermine River, Great Bear Lake and Patricia district, where such discoveries would have been practically impossible without the aid of airplanes. Our pioneer work has been primarily responsible for calling attention to the great mineral potentialities of certain sections of the north with the result that these areas appear to be on the threshold of great mining developments and intensive explorations."

Drop Iron Claims

The company's stock interest in the Belcher Island iron deposit in Hudson Bay has been retained, but its option on ground in this area has been dropped.

The report said that while it has been necessary for the company to maintain its own flying organization during the past four years, commercial flying has made such strides that the services of the aerial transportation companies now extend to all parts of Canada, even the most remote regions, and are available to every district in which the company might desire to operate. As these companies are exclusively devoted to flying and are able to maintain their equipment in continual possible use, they can operate more economically than the company could hope to do. With the discovery made by the company in the Great Bear Lake area it will be its intention to concentrate for the next season or two on the development of these finds.

Gordon G. Duncan, director of exploration for the company, reported on the work for the season as follows:

"The first trench widened the bornite from 12 to 15 ft. and check sampling gave an average copper content of 47.13 per cent across this width. The six ft. of bornite encountered the previous season 71 ft. to the south was widened by trenching to give nine ft. of bornite ore carrying 44.65 per cent copper. At 171 ft. to the south, a trench 14 ft. deep was put down and only one wall was reached. Two bands of ore were encountered, however, one having a width of 3 ft. 11 in. and assaying 25.57 per cent copper and the other band one foot in width assaying 35.04 per cent copper.

"In all other trenches, the overburden was so heavy bed rock could not be reached. Trenches were put down to a depth of 16 ft. through frozen ground consisting of boulders, gravel, clay and ice, which required hand drilling and blasting every foot of the way.

"The summer season was exceptionally wet, which made trenching to such depths impossible to continue. The ground to the north of the 15 ft. bornite trench appears to be the most important but the frozen overburden was unusually heavy and no definite information was gained in this direction.

"A diamond drill was transported to the property with sufficient gasoline and supplies to carry on a drilling programme next season.

"The showing on the 'D' group of claims in the same area was trenched and a disseminated chalcocite ore body was indicated averaging about 9 per cent copper, having a width of eight ft., for at least 1,100 ft. in length.

"Trenching of other discoveries made during the previous season was greatly handicapped by the heavy rains and little further information was gained.

"Prospecting was carried on in the vicinity of Echo Bay, Great Bear Lake. A large plane aided the prospectors in getting around quickly. Several discoveries were made, the most important being a vein at least 1,150 ft. long with a width up to two ft. High grade radium ore running $2,500 a ton and high grade silver ore up to 2,600 ounces a ton were discovered in this vein.

"Due to the rush of stakers to the area in August, it was necessary to discontinue prospecting and start staking the most favorable ground. Six groups were staked, totalling sixty-five claims, in order to hold the ground. The importance of the discoveries made on some of these claims remains to be seen as no time was available for thorough investigation. The value of these claims will only be known as the area develops."

Plan Further Financing

The balance sheet of the company as at October 31, 1931, showed current assets of $23,320, including $21,195 in Dominion of Canada bonds. The current liabilities of the company total $4,711, leaving a net working capital of $18,609.

Mr. Hammell says that while the treasury is low this need not occasion any concern as he has made arrangements for further finances which will enable the company to proceed with development programme for the next season.

The annual meeting of the company is called for December 19, in Toronto.

Development work on the 2,700 ft. level of Lake Shore Mines has reached the point from which a crosscut will be driven into the adjoining property of Kirkland Hudson Bay Mines. Under terms of an agreement entered into several months ago the Kirkland Hudson Bay property is to be prospected from this low level of Lake Shore. It is estimated that the crosscut now under way will reach the boundary of the two properties about the end of the year and that exploration will be conducted in an effort to pick up the ore shoots encountered in diamond drilling in the upper horizons.

Dome Mines Earnings Estimated at $1.94 Per Share for 1931

Premium Averaging Close to $40,000 Monthly Boosts Profits

NEW ORE IMPORTANT

H. P. De Pencier Returning From Africa With News of Acquisitions on the Rand

As the year draws to a close indications point to Dome Mines as having one of the most profitable years in its history, with net earnings before write-offs of close to $1.94 per share, as against dividend requirements of $1 per share.

The value of its gold bullion production will be approximately $3,550,000 to which can be added a premium on production of about $125,000. The average recovery per ton of ore treated for the year will be about $6.55 per ton, while the total tonnage treated will be close to 543,000 tons or a daily average throughout the year of 1,490 tons.

Some concern has been evident in recent months regarding the declining value of the grade of ore treated. For the first three months of the year the average recovery was $6.48 per ton. In the second quarter it had increased to $6.90 but in the third quarter, ended September 30, it had declined to $6.50. The months of October and November showed further declines with recoveries of $6.31 and $5.41 per ton respectively. The recoveries reported by Dome emphasize the fallacy of trying too closely to interpret the significance of the month to month production by a mine, since The Financial Post has reason to believe that the December production will be the largest in the year.

Operating Cost Down

Assuming that the operating costs will be the same as those in 1929, and indications point to them being less, the operating profit will be close to $1,530,000. To this can be added a non-operating profit equal to that in 1929 or $321,171 and in addition a premium on production of about $125,000, making a net profit of $1,857,340 before depreciation but after taxes of $120,000. This is equivalent to $1.94 per share on the 953,333 shares outstanding.

The company's new mill, started in October 1930, replacing the one destroyed by fire the year previous, will come in for a write-off for depreciation this year. Just how liberal this will be is a conjecture but on the basis of 10 per cent of the cost of the mill, it will be approximately $80,000, making the net profits very close to those in 1929 or $1.86 per share.

Ore Reserves Increase

Development operations at the mine during the year have been most successful, and the next report of the company will doubtless show a substantial increase in the ore reserves. In 1927 the property was commonly supposed to be nearing an early depletion but subsequent developments in the greenstone area, north of the sedimentary basin, which has been responsible for the principal production, have extended the life of the mine to an indefinite extent and currently the proven ore reserves are greater than at any time in the past few years. In recent months The Financial Post has advised its readers of a new development that has been in progress and one that may extend the life of the mines in an important manner.

From the fourteenth level exploration is under way that is delimiting a large ore body averaging substantially higher than the average of the mine. It is also opening up new potential sources of ore that heretofore have been passed by.

While it is too early to interpret the significance of the ore reserves situation, it is sufficient to say that the ore situation is not giving officials of the company concern.

Liquid Position Good

It has been the policy of the company to build up an assurance fund in order to provide a source of income when production operations are restricted through depletion. This fund and other liquid assets had a value on December 31, last, of over $6 per share of stock outstanding, and it is the plan of the president of the company to build up liquid assets of at least $10 behind each share of stock.

Production operations at the property are not the only gauges with which to measure the success of the company, for during the year it made an investment in a new gold producer, the East Geduld Mines, on the Far East Rand, of close to $1,000,000. This property started production operations in July last, and in October last crushed 45,000 tons of ore for a recovery valued at about $260,000, showing an estimated net profit of approximately $26,000. The early production had to contend with the absorbtion of the new mill, resulting in low recoveries but it is expected that production will be worked up to a monthly output having a value of close to $400,000.

For the past few months H. P. De Pencier, general manager of the company, has been in South Africa, and it is reported that other investments have been negotiated on a basis favorable to the company. At the present time Mr. De Pencier is reported to be on his way home. Following his return some statement is expected as to his activities in the interests of the company.

METAL PRICES

New York—December 15.
Copper—Electrolytic spot, 6½ to 6¾c. lb.
London—December 15.
(Long Ton)
Copper—Electrolytic spot, £43; future £45. Standard spot, £36 15s.; future, £37 7s. 6d.
Tin—Spot, £136 17s. 6d.; future £139 17s. 6d.
Lead—Spot, £14 17s. 6d.; future, £15.
Zinc—Spot, £14; future, £14 10s.
Silver—19⅞d. per ounce.

New Company Buys Sullivan Mines Assets

At a special meeting of shareholders of Sullivan Gold Mines held in Montreal on December 12, approval was given to sell the assets of the company to a new company to be known as the Sullivan Consolidated Gold Mines, Ltd.

The authorized capitalization of the new company will be 4,000,000 shares, and under the terms of the agreement 2,000,000 shares will be issued to the old company, plus $5,000 in cash, leaving 2,000,000 shares in the treasury of the new company with which to finance.

It was announced that Siscoe Gold Mines, which owns property adjacent to Sullivan, will take up the remaining 2,000,000 treasury shares and provide funds for development, erection of a mill and $25,000 for working capital.

TELLURIDE GOLD TO REORGANIZE, INSURANCE PAID

Creditors Paid; Nothing Left For the Old Shareholders

A new company is to be incorporated and development operations resumed at the property formerly owned by Telluride Gold Mines, now in liquidation, according to D. M. Gilpin, former president of the company.

Following a fire, which destroyed the company's mill in June of this year, Telluride Gold Mines was forced into liquidation. The insurance company paid the fire loss claim amounting to $40,000, into court, pending the settlement of the creditors, who had claims totalling $122,000. The assets of the company have been purchased by Mr. Gilpin from the liquidator in consideration of his settling all preferred claims at 100 cents on the dollar and all common claims at 60 cents on the dollar. This will involve an outlay of approximately $75,000 and in return Mr. Gilpin will receive the $40,000 insurance settlement among the other assets.

The reorganization plan calls for stock in the new company to be offered to the former shareholders on a preferred basis. No exchange of stock, however, will be made to shareholders in the old company.

A block of claims adjoining the Telluride property and owned by D. M. Gilpin, is to be merged and become part of the property holdings of the new company.

It is planned to make an offering of shares, but at prices considerably higher than the rights being extended to shareholders in the old company. The larger shareholders have undertaken to provide sufficient funds to pay off all the claims and resume development work. It is not planned to rebuild the mill at the present time, but to carry out an extensive development programme and block out a definite amount of ore before making the next move.

In May this year the Telluride Gold Producers, Ltd., was incorporated with an Ontario charter to take over the old company, Telluride Gold Mines of Canada, Ltd. The transfer of the assets from the old company, however, did not take place and the new company did not get farther than securing its charter.

Trail Ore Receipts

Following is a statement of the ore received at the Trail smelter for the period Dec. 1, to Dec. 7, inclusive, and for the year to date:

Mine Area	Dec. 1 to 7	Yr. to date
Aurum, Hope	..	25
Bell, Beaverdell	52	1,740
Big Missouri, Stewart	..	110
Butcher Boy, Carmi	..	33
J. A. Carter, Zwicky	..	9
Catherine, Nelson	..	21
Copper Basin, Princeton	..	21
Euphrates, Nelson	..	45
Gold Drop, Greenwood	..	17
Gold King, Grey Creek	..	1
Highland Lass, Beaverdell	47	354
Ivanhoe, Sandon	..	25
Kerr, Wukuske	..	27
Knobhill, Republic	46	921
Lone Pine Surprise, Republic	..	24
Little Daisy, Silverton	..	2
Midnight, Rossland	..	65
O'Brien, Cobalt	42	513
Planet, Nicola	..	105
Redmond, Republic	..	38
Republic, Republic	..	105
Ruth, Sandon	..	199
Standard, Silverton	..	19
Sally, Beaverdell	..	111
Silver King, Tulameen	..	44
Silversmith, Sandon	..	226
Sunset, Orient	..	49
Union, Lynch Creek	73	1,541
Waterloo, Edgewood	..	33
Wellington, Beaverdell	52	718
Wilcox, Ymir	..	48
	289	7,241

Total custom ore, week	289
Total company ore, week	7,430
Grand total, week	7,719
Total custom ore, yr. to date	7,241
Total comp'y ore, yr. to date	390,356
Grand total, year to date	397,597

Index of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 61.4 for the week ending December 10, as compared with 60.8 for the previous week.

Eleven gold stocks remained unchanged (61.1), four gold-copper stocks rose from 63.1 to 66.0, and five silver and miscellaneous stocks fell from 28.7 to 28.2.

Greene-Stabell Mines has called an annual meeting of shareholders for December 19, in Toronto. Some time ago it was announced that plans were under way to erect a mill on the company's property. The company is without sufficient funds to complete this programme, and it is understood that plans were underway to finance the construction programme.

TURNER VALLEY OUTPUT STEADY 69,000 BARRELS

Merland No. 1 Well Continues Largest Producer in the Field

Production from the Turner Valley field in November totaled 69,082 barrels of petroleum, including crude naphtha, crude oil and discolored naphtha. Of this amount 62,084 barrels was shipped to the Imperial refinery in Calgary.

The Mercury No. 1 well continued to be the largest producer in the Valley in November with an output of 5,643 barrels as compared with 5,833 barrels in October.

The following comparative tabulation shows the production from the various wells for October and November.

IMPERIAL REFINERY

Crude Naphtha	Oct.	Nov.
Royalite 7, 12	700	317
Royalite 8, 11, 18, 20	651	nil
Royalite 14	505	165
Royalite 17	812	569
Dalhousie 7	680	718
Home 1	399	362
Home 2	458	427
Home 3	679	506
Home 4	532	753
Home 5	111	43
Lowery Pete 1	583	563
Merland 1	3,504	4,832
Southwest Pete 1	744	64
Mercury 1	5,833	5,643
Miracle 1	2,172	1,958
Associated 1, 2	nil	513
Totals	18,372	17,433

Discolored Crude Naphtha	Oct.	Nov.
Royalite 8, 11, 18, 20	2,224	3,244
Royalite 7, 12	nil	306
Royalite 14	nil	nil
Royalite 19	1,411	1,301
Royalite 21	123	152
Royalite 23	517	954
Royalite 24	nil	nil
Royalite 25	1,692	1,472
Advance 5A	886	853
Associated 1, 2	619	83
Baltic 1	186	181
Dalhousie 7	22	nil
Foothills 1	1,399	1,877
Foothills 2	527	363
Mayland 1, 2, 3, 6	5,506	5,327
Hargal	nil	nil
Merland 1	1,488	nil
Southern Lowery 1	nil	nil
Southern Lowery 2	4,235	3,725
Southern Lowery 3	6,447	5,397
Sterling Pac. 1	513	496
Southwest Pete 1	nil	635
A. P. Con. 1, 2	190	185
Calmont 2, 4	355	338
Commonwealth 1	908	888
East Crest 1	774	590
East Crest 2a, 3	4,021	4,024
Mercury 1	nil	nil
Mercury 3	2,014	1,944
Mill City 1	100	96
Richfield 2	422	425
Structure 1	1,432	1,319
Miracle 1	nil	138
Totals	38,011	36,316

Crude Oil	Oct.	Nov.
Royalite 15	273	125
Dalhousie 5	603	744
Home 1	nil	49
Home 6	185	nil
Home 2	nil	144
Model 1	5,205	5,099
Hylo 1	1,235	2,174
Totals	7,701	8,335
Imperial totals	64,084	62,084

Regal Refinery

	Oct.	Nov.
Okalta	3,391	2,488
Homestead	1,032	1,021
Wellington	602	206
Alta. Fed.	413	401
Totals	5,438	4,116

Bell Refinery

	Oct.	Nov.
Spooner	nil	2,597
Vulcan	nil	235
Totals	nil	2,832

Grand total, Nov.	69,082 bbls.
Grand total, Oct.	69,522 bbls.
September total	66,596 bbls.

SMELTERS PAYS USUAL DIVIDEND, STOCK BONUS

Profits Earned in Excess of Cash Dividend Requirements

Directors of Consolidated Mining & Smelting Co. of Canada have declared the regular half-yearly dividend of $1.25 per share plus a 5 per cent bonus in stock both payable January 15, 1932 to shareholders of record December 23.

In making the announcement, the company stated that estimated profits for the year were in excess of cash requirements for dividends plus taxes. The bulk of the amounts written off for depletion and depreciation will be provided from the reserve amount established for such purpose.

A statement issued by the company, following the board meeting was as follows:

"While metal stocks have increased some during the year, sales in recent months have more than equalled production. Stocks should be down to normal proportions in the near future on account of restricted output, and through improvement, though slight so far, in the metal situation.

"Mining and smelting operations are proceeding satisfactorily. Some difficulties have been met in the operations of the fertilizer plant, but fertilizer production on a large scale is under way. Sales of sulphate of ammonia are very encouraging. A vigorous campaign is being conducted to sell triple super phosphate and ammonium phosphate on the Canadian prairies, with promising results on account of the excellent crops garnered in 1931 following the application of Consolidated synthetic fertilizers."

BRITISH-CANADIAN MINES REORGANIZE

Capital Increased to Retire Bonds and Finance Construction

Shareholders of British-Canadian Mines are in receipt of a notice calling a special general meeting on January 25, next, to approve of a financial reorganization of the company.

Plans call for increasing the present capitalization, which consists of $3,000,000 in $1 par value shares, to $4,500,000, of which $500,000 will be in preferred shares of $100 par value each, cumulative from November 1, 1929, and redeemable at any time after 1939. $1,000,000 will be in common shares of $1 par value. The preferred shares are to be exchanged for the $500,000 seven per cent bonds outstanding, while the common shares will be sold to finance the property to production. The company was incorporated in 1922 to acquire the Foley Gold Mines in the Rainy River district of Ontario. A complete mining plant is on the property together with equipment for a 150-ton mill which has yet to be installed.

Advice from Vancouver states that the Why Not claims under development by the Bridge River Exploration Co., are developing in a satisfactory manner. A tunnel is being driven into the mountainside and is at the present time in approximately 600 ft.

Prospectors Airways Called for Trading

Prospectors Airways Co. Ltd., incorporated with an Ontario charter on April 1, last, was called for trading on the Standard Stock & Mining Exchange last week.

The company is an outgrowth of a private enterprise organized by Robert Cockeram and associates in 1928, to prospect for minerals with the aid of aeroplanes. The company enjoys the distinction of being the first to use aeroplanes for prospecting in Canada. In 1930 this predecessor company paid a stock dividend, comprising among other stocks, fifty shares of Ventures, to each unit holder.

The company has been very active in its exploration activity, which in the past has been confined principally to northwestern Quebec. Its earlier operations were centred about Lake Opemiska where it staked a large group of claims, later sold to Ventures Ltd., which formed the Opemiska Copper Mines. The company's activity in the past season was principally confined to Pascalis township where it has an interesting gold showing, now held by the Pascalis Gold Mines. In addition, the company has other groups of claims in the area, some of which were recently optioned to Noranda Mines, Ltd. The company also has a group of claims in the Matachewan area of Ontario, and in August of this year it staked eighteen claims in the Great Bear Lake area.

In past seasons the company has maintained from six to twelve prospecting parties in the field, and has expended approximately $20,000 annually in exploration work.

The present company has an authorized capitalization of 500,000 shares of no par value, of which 350,000 shares are outstanding. Seventy-five per cent of these shares are held by the original group, which organized the predecessor company.

Recently arrangements were entered into whereby a Toronto broker is taking up treasury shares and will provide the company with $50,000 working capital to continue its work.

GEM LAKE MINES MAKES SHIPMENT OF GOLD BRICKS

Test Mill Expected to Pay Expenses of Development

Advice from Winnipeg tells of the shipment of two gold bricks from the property of Gem Lake Mines valued at $850. each. The company recently started a ten ton test mill into operation, and this is the first production to be shipped.

A letter has been forwarded to shareholders advising that the financial plan entered into a year ago was not fulfilled, which prevented the company meeting more than its pressing obligations. It is said that the present production will provide ample funds for the development programme plans, including deepening the shaft to the 1,000 ft. level and opening up two new levels.

On the 625 and 750 ft. levels, now in the process of development, new sections have been found, which were non productive on the immediate levels above, which are opening up in a most encouraging manner.

The test mill has been in operation for twenty days and the report says that milling problems have been solved and that it has been found that approximately 30 per cent of the values are in the sulphide and, therefore, not recoverable by amalgamation. It is planned to increase the capacity of the mill to 50 tons a day and add flotation in cyanidation to the flotation concentrates.

DOMINION ROYALTY REPORTS NET LOSS

Current Assets Were High—Bond Liabilities Reach $559,190

Dominion Royalty Corp. reports a net loss of $44,672 from August 1, 1930, to July 31, 1931, and also includes the period from January 1, 1930, to July 31, 1930, of Dominion Royalty Syndicate.

Total income was $105,778. General expense amounted to $20,532; bond interest absorbed $67,805; provision for depletion of royalties, $28,529; discount and commission on bonds written off, $11,477; proportion of value attached to undertaking and agreements acquired from syndicate written off $14,912, which with sundry items brought total expenditures to $150,450.

The balance sheet as at July 31, 1931, shows total assets of $635,185. Current assets stood at $16,657, against current liabilities of $5,635. Investments totalled $372,268, of which $312,258 represented royalties and leases at cost and $60,000 a disputed interest in Franco-Dominion No. 1 well, Oklahoma City. Discount allowed and commissions paid on sale of bonds amounted to $114,775, less proportion written off of $11,477, leaving $103,297. The value placed on undertakings and agreements acquired from syndicate was $149,127, less proportion written off, $14,912, leaving $134,214.

In addition to current liabilities, as above, liabilities include $559,190 first mortgage 12 per cent gold bonds, issued and paid up; class A shares (1,056,000 issued), $115,120; class B stock, 2,500,000 shares issued and paid up, placed at $2.05.

The annual general meeting of shareholders will be held Dec. 17.

Reno Gold Producers $28,005 in November

Reno Gold Mines, operating a property in the Kootenay Lake area of British Columbia, had a production in November valued at $24,162; in addition, it received a premium of $4,843, making the total value of its output $28,005.

The company started production operations in August, 1929, and has been a continuous producer since. Recent improvements have been made that will permit of a greater tonnage being handled, and the ore testing laboratories of the Department of Mines, Ottawa, are co-operating with the company.

Falconbridge Nickel Sales Unconfirmed

Last week's issue of The Financial Post published an interview with a responsible official of the Falconbridge Nickel Co., who stated that contracts had been made with the United States firms which would take the entire nickel output of the company in 1932. Now an official of the company states that the impression created was not correct, but rather that contracts had been made that made the company hopeful of selling all the 1932 production.

Sales are being made for about 55 per cent of the production of refined nickel and at the present time there is about 1,360 tons of unsold at the company refinery in Norway.

Tailings

The Grace mine in Michipicoten area, Ontario, is to be rehabilitated through the efforts of Power & Mines Corp., and its subsidiary, United Algoma Mines, if financial arrangements pending in New York are consummated.

* * *

Parkhill Gold Mines, which started production in midsummer, has produced gold valued at $70,000 to date. Recovery at the present time is averaging from $15,000 to $20,000 monthly. Plans are under way to deepen the shaft from the third level to a depth of 750 ft., and open up two new levels at 600 and 725 ft. respectively.

* * *

The Kosack property in the Goudreau area, under option to the United States Smelting, Refining & Mining Co., is being further prospected for its potentialities. A number of test pits have been put down preparatory to sampling. It is reported that United States Smelting, Refining & Mining Co. has also taken an option on the Michael-Boyle property and that an exploration programme is to be conducted.

* * *

Alaska-Juneau Gold Mining Co. has re-entered the Taku River district of British Columbia, according to information from Vancouver. It has optioned the property owned by T. H. Smith and George Bacon, consisting of 20 claims. Alaska-Juneau last year were in the Taku area, but dropped their options after preliminary exploration.

* * *

Macassa Mines, now being developed by an extension of the drift on the 2,475 ft. level of the Kirkland Lake Gold Mining Co., is reaching an interesting area for development. The drift is in about 1,200 ft. west from the Macassa-Kirkland Lake boundary, in a syenite formation where it has encountered some very nice ore. The drift all the way from the boundary has been in and out of ore of commercial grade, and the latest development is viewed by officials of the company as being distinctly encouraging.

* * *

The 4,760 ft. level of the Kirkland Lake Gold Mining Co., west of the dike, is opening up in a spectacular manner. Over 300 ft. of high grade ore has been opened up with the ore shoots ranging from 6 to 30 ft. in width, estimated to average $15 in gold per ton. The west face is still in ore and indications point to its continuing westward to the Macassa boundary.

* * *

Shareholders of Harker Gold Mines are in receipt of a notice of an annual meeting to be held December 19, in Toronto. The company owns 250,000 shares in Greene-Stabell Mines and in addition has liquid assets close to $100,000 including 3,000 shares of Lake Shore Mines stock.

* * *

The Lucky Coon Gold Mining Co. was incorporated on November 16, 1931, with an Ontario charter and a capitalization of $2,000,000 in $1 par value shares to rehabilitate one of northwestern Ontario's early gold producers, known as the Hillyer property.

The company's property is in the lower Seine River area, Ontario, and in the early days was prospected by five shallow shafts, one of which was sunk to a depth of 108 ft. The new company is comprised principally of Duluth mining men.

* * *

Vickers Mines has acquired an option on control of the Ontario Champion Mines, owning a gold property in the Kenora mining division. The property saw some considerable development several years ago when a shaft was sunk to a depth of 235 ft. The property is equipped with a complete camp and mining plant and already approximately $140,000 has been spent on development and equipment.

* * *

The Ontario Refining Co. at Copper Cliff recently re-employed 75 men who had been released as a result of a special order received for copper. It is reported that important orders have been received both from the United States and England by the International Nickel Co., which has its copper refined by the Ontario Refining Co.

* * *

The Department of Public Works and Mines of the Province of Nova Scotia has just issued Part Two of the Detailed Descriptions of the Geology of the various districts of the province. The new report deals with the potash possibilities of Nova Scotia and is covered in a bulletin of 150 pages supplemented by a detailed map of the areas reported on.

Removal of Ban Aids Fur Dealers

Removal of the ban on Russian raw furs by the federal government this week removes a handicap that has severely hampered operations of legitimate fur dealers in recent months according to leaders in this industry. Some time ago it will be remembered the Canadian government placed a ban on all Russian imports into Canada with the result that there has been considerable "bootlegging" in Canada by unscrupulous dealers of Rusisan furs which have masqueraded as Chinese.

The ban has now been removed as a result of urgent representations of Canadian fur dealers. Some of these furs such as Kolinsky are said to be indispensable to the trade.

PIONEER GOLD'S PLANS UNDERWAY FOR EXPANSION

Current Production $50,000 Per Month From 100 Tons Daily

Pioneer Gold Mines of B. C., is one of the few producing gold properties to show strength in the present weak market, advancing to a new all time high of $3.30 on December 12, reflecting the expansion underway.

Current production is around 100 tons daily, while the total production for the current fiscal year is estimated to be approximately $600,000. In midsummer this year one week's production amounted to $19,000. At the present rate of operation it is estimated that earnings are around 20 cents a share as against dividend requirements of 12 cents per share.

Next October will see the milling facilities doubled or brought up to approximately 300 tons per day, while it is anticipated that the grade of ore treated will continue around $15 per ton.

Has Interesting History

The history of the Pioneer property dates back to 1886 when placer gold was first discovered in Cadwallader Creek, a tributary of the Bridge River in the Lillooet mining division of British Columbia. The claims were staked in 1897 and a small stump mill installed in 1900, but proving inadequate was superseded by an arrastre mill, which operated until 1911. About this time a syndicate acquired the property, added more claims and formed the Pioneer Gold Mines, the predecessor company. In 1914 a 20-ton mill was built and about $160,000 in gold was recovered. In 1920 the Mining Corp. of Canada optioned the property, but dropped it before payment became due, and the following year it was under option to a Vancouver group, which after spending about $45,000, also dropped the option. About 1923 David Sloan, the present managing director, reported on the property and secured an option for New York interests, but it was not exercised and in midsummer, 1924, Mr. Sloan optioned the property himself and worked it on a royalty basis until he formed the present company in 1928.

Early Workings Short

The ore occurs in narrow but persistent quartz fissure veins. On the upper levels they were short, which made profitable operations impossible. As depth was reached a remarkable lengthening of the vein was evident. This lengthening was made still more rapid by the fact that the east end of the productive portion has a pronounced, though steep, pitch to the east.

Former operators sunk an incline shaft from the surface to the present fifth level. On these upper levels, now largely mined out, ore is said to have been continuous, except for local pinches, but the grade was very uneven. From the fifth level down the best ore split into two shoots. From the fifth to the seventh level the part of the vein between these two ore shoots is too lean and narrow to mine. On the eighth and ninth levels the intermediate area is still rather lean, but it is well above the commercial limit.

Trade Improving

Added to the growing size, a marked improvement of the grade of ore occurs at depth. Partial records indicate that the grade of ore above the fifth level was about $10 per ton after dilution.

The present company sunk a new main underground winze from an adit driven in at an elevation of 4,000 ft. This winze has been sunk to a depth of approximately 950 ft. below the adit, with connections made to the old working. Four new levels, the sixth, seventh, eighth and ninth, have been opened up. On the sixth level the grade of ore averaged approximately $13; on the seventh, $19; on the eighth $20.50, while the grade so far developed on the ninth level is $15.20 over a length of 700 ft.

In all the developed ore below the fifth level, the grade averages $17.50 per ton over a width of 4½ ft. It is estimated that each foot below the ninth level will produce 65,000 tons of ore.

New Winze Started

In March, 1931, a new three-compartment winze was started from the adit on the 4,000-ft. elevation. This shaft is to be sunk to a depth of 2,000 ft. and equipped for handling 600 tons of ore in 16 hours. It is planned that this programme should be completed about October, 1932, when the mill capacity will be increased to 300 tons daily.

A recent article in the Engineering & Mining World of New York said: "the life of Pioneer promises to be a long as well as a profitable one. At present the surface is almost at the original top of the vein. The character of the ore and of the occurrence promises great depth and rapidly increasing size and grade prove that the heart of the ore body has not yet been reached."

SHERRITT BORROW TO KEEP WORKING TILL COPPER SOLD

Low Costs Demonstrated But Conditions Cramp Profits

Officials of Sherritt-Gordon Mines recently said that the directors have no immediate intention of closing down the mine but that future operations will depend entirely on the price of copper.

It is not a difficult problem for Sherritt to produce copper below current selling prices as it has already demonstrated that it is a low cost producer, with operating costs, before depreciation, of 5.6 cents per pound. The difficulty confronting the company is selling its product. Sales have been fair but the stocks of unsold copper keep mounting and represent just so much frozen capital, capital that is needed with which to carry on operations. This has meant that loans have had to be secured to meet operating expenses, a situation that a great many copper producers are faced with at the present time. It is obvious that this endless circle of borrowing can not go on indefinitely, and that a halt will have to be called if the copper stocks are not sold.

Costs 5.6 Cents Per Pound

In August the company struck its stride producing approximately 2,000,000 pounds of copper from 27,000 tons of ore. The grade of ore treated at that time was 3.8 per cent copper, from which a recovery of 58 cents in gold and silver was also made

The following tabulation gives the details of production costs in August:

Costs Per Pound	
Oper. & head office	$0.0315
Credit gold and silver	.0078
Net oper. costs	$0.0236
Smelting, transportation	.0174
Refining and marketing	.015
Total costs per lb. copper	$0.056

Costs Per Ton of Ore	
Development	$0.331
Mining and hoisting	.928
Crushing and conveying	.098
Milling and concentrating	.648
General expenses, mine	.285
Head office expenses	.053
Total oper. & h. o. expense	$2.33
Credit for gold and silver	$0.58
Net oper. cost	$1.752
Smelting and trans.	1.289
Refining and marketing	1.110

Nordon's Well In Milk River Disappointing

The Parco-Nordon well being drilled in the Milk River area of Alberta on Nordon Corp., acreage, encountered water at a depth of 3,938 ft. The company has been engaged in delimiting an oil structure in this area, and this is the first well to be drilled. The encountering of water 70 ft. in the Madison limestone is a disappointment to officials of Nordon Corp., as well as to the Parco Oil Co., who are conducting the drilling.

B. F. Hake, chief geologist of Nordon Corp., said it is possible that the company drilled on the edge of a sub-structure dome and that another well drilled on the same structure might pass through the top of the dome and show production. It is now proposed to cement off the water and make a thorough test of the oil horizon at the top of the limestone, where a crude oil flow was encountered and baled at the rate of 125 barrels of crude oil daily.

If the well fails to yield a commercial flow in the upper horizon, Mr. Hake says they propose to shoot it with nitro-glycerine, but that it is not advisable to drill deeper.

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